




City of
San Diego,
California

Comprehensive
Annual
Financial
Report

Fiscal
Year
Ended
June 30,
1999

Office of the
City Auditor
& Comptroller

Ed Ryan,
City Auditor
& Comptroller

 Printed on recycled paper.

This information is available in alternative formats upon request.

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INTRODUCTORY SECTION



THE CITY OF SAN DIEGO

November 30, 1999

Honorable Mayor Susan Golding,
City Council and the Citizens of the
City of San Diego, California

The Comprehensive Annual Financial Report of the City of San Diego (City) for the Fiscal Year Ended June 30, 1999, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City and its related agencies. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City and its related agencies. All disclosures necessary to enable the reader to gain an understanding of the City's, and its related agencies', financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the general purpose financial statements and the combining, individual fund and account group financial statements and schedules, as well as the independent auditors' report on such financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The City is required to undergo an annual Single Audit in conformity with the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments and Non-Profit Organizations." Information related to this Single Audit, including the schedule of expenditures of federal awards, findings and recommendations, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate Single Audit report.

In evaluating how to define the governmental reporting entity, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," under which the financial statements include all the organizations, activities, functions, and component units for which the City (Primary Government) is financially accountable.



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Accordingly, the following component units are incorporated in the accompanying financial statements:

- Centre City Development Corporation
- Convention Center Expansion Financing Authority
- City of San Diego Metropolitan Transit Development Board Authority (a joint-powers agency)
- Public Facilities Financing Authority
- Redevelopment Agency of the City of San Diego
- San Diego Convention Center Corporation
- San Diego Data Processing Corporation
- San Diego Facilities and Equipment Leasing Corporation
- San Diego Housing Authority
- San Diego Industrial Development Authority
- San Diego Medical Services Enterprise, LLC
- San Diego Open Space Park Facilities District #1
- Southeastern Economic Development Corporation

The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of streets and infrastructure; recreational activities and cultural events; the expansion, maintenance, and operation of the water and sewer utilities.

The City operates and is governed by the laws of the State of California and its own Charter which was first adopted by the electorate in 1931. The Charter provides for a Council-Manager form of government. The City Council is comprised of eight members elected by district to serve overlapping four-year terms. The City Council, which acts as the City's legislative and policy-making body, appoints the City Manager, who is the City's chief administrator and is responsible for implementing the policies and programs adopted by the City Council. The Mayor, who presides over the City Council, is elected at large to serve a four-year term.

ECONOMIC CONDITION AND OUTLOOK

According to the San Diego Chamber of Commerce (Chamber), the San Diego economy will continue to grow during Fiscal Year 2000, marking the seventh consecutive year of economic expansion since 1993. San Diego's Gross Regional Product, the total valuation of goods and services produced in San Diego County (County), is forecast to reach \$9.6 billion in calendar year 1999.

Indicator	Calendar Year			Annual Change	
	Actual 1997	Estimate 1998	Forecast 1999	'98/'97	'99/'98
Gross Regional Product (billions)	\$ 82.6	\$ 87.1	\$ 91.6	5.5%	5.2%
Inflation					
Consumer Price Index- All Urban Consumers	163.7	166.9	170.6	2.0%	2.2%
Taxable Sales					
Total (millions)	\$27,408.5	\$29,644.6	\$31,719.7	8.2%	7.0%
Taxable Retail Sales (millions)	\$18,716.0	\$19,926.9	\$21,321.8	6.5%	7.0%
Per Capita Retail Sales	\$6,698	\$6,684	\$7,320	4.3%	4.8%

Source: Economic Research Bureau, Greater San Diego Chamber of Commerce.

International trade also continued to grow, with total exports originating in the County for the 12 months ending May 1999 estimated at \$9.8 billion, up 9.5% from 1998.

San Diego's tourism industry continued to climb to record levels during calendar year 1998 with total visitor spending estimated at \$4.7 billion, up 6.8% from the previous year's \$4.4 billion. Hotel occupancy rates were also up from the previous year. The gains in tourism can be attributed to continued strength in the U.S. and California economies.

Employment Indicators

The unemployment rate is a critical indicator of relative strength in the local economy. Reflecting continued strength in the local job market, San Diego's unemployment rate fell from an average of 4.2% during calendar year 1997 to 3.5% during calendar year 1998. The actual unemployment rate through September of calendar year 1999 is averaging 3.3%, well below initial forecasts. The unemployment rate for October 1999 dropped to 2.9%, its lowest rate in more than 40 years.

The lower unemployment rate is due to continued job growth into calendar year 1999, with the forecasted addition of another 26,900 new jobs, pushing the forecasted monthly average for the year to 1,127,600.

Indicator	Calendar Year			Annual Change	
	Actual 1997	Estimate 1998	Forecast 1999	'98/'97	'99/'98
Population	2,729,100	2,853,300	2,912,800	4.6%	2.1%
Employment					
Civilian Labor Force	1,285,000	1,319,400	1,347,100	2.7%	2.1%
Employed	1,230,700	1,273,000	1,293,400	3.4%	1.6%
Unemployed	54,300	46,400	52,600	(14.5%)	13.4%
Unemployment Rate	4.2%	3.5%	3.9%		
Payroll Employment	1,065,000	1,100,700	1,127,600	3.4%	2.4%
Personal Income					
Average Household Income	\$71,700	\$75,200	\$78,500	4.9%	4.4%
Per Capita Income	\$25,342	\$26,500	\$27,500	4.6%	3.8%

Source: Economic Research Bureau, Greater San Diego Chamber of Commerce.

Manufacturing remains the single most important component of the local economy. Manufacturing employment increased in Fiscal Years 1996 through 1998 with the addition of 9,500 jobs, and continued in Fiscal Year 1999 with an increase of 1,200 jobs.

Construction, like manufacturing, is a major source of high wage employment that stimulates other sectors of the economy. Construction employment averaged 62,700 during Fiscal Year 1999, up by 15.0% over Fiscal Year 1998, the fourth consecutive annual increase.

Since 1990, San Diego has added 39,600 jobs in various high wage industries, including telecommunications, software development, biotechnology, and electronics. Expansion in the high tech manufacturing and research component of the City's economic base has been led by the rapid emergence of telecommunications. Major participants in the City's telecommunications industry include manufacturers of personal communications equipment, radio/TV communications equipment, network communications equipment/systems, satellite communications equipment, and military surveillance/ guidance systems.

The important "high tech manufacturing and research" component of the City's economic base continued to expand in calendar year 1998, with all of the major categories recording year-to-year increases.

Total Employment (in thousands)					
Component	Calendar Year				
	1995	1996	1997	1998	Forecast 1999
Telecommunication	8.3	11.6	19.1	20.6	22.8
Annual Change	36.1%	39.8%	64.7%	7.9%	10.7%
Bioscience	20.0	19.6	21.3	22.1	25.0
Annual Change	8.1%	(2.0%)	8.7%	3.8%	13.1%
Software	7.3	7.7	7.9	12.2	13.6
Annual Change	12.3%	5.5%	2.6%	54.4%	11.5%
Electronics	8.1	9.8	10.0	11.6	12.3
Annual Change	8.0%	21.0%	.4%	16.0%	6.0%

Source: Technology Directory Publishing

Other Indicators

According to a forecast by the Greater San Diego Chamber of Commerce, the San Diego area economy will grow at a faster rate than the state and the nation in 1999 as income outpaces inflation. Taxable retail sales grew strongly in calendar year 1998, increasing by 8.2%. The Chamber also forecasts retail sales will increase an additional 7.0% in 1999.

San Diego's construction industry continued to grow during calendar year 1999.

Indicator	Calendar Year			Annual Change	
	Actual 1997	Estimate 1998	Forecast 1999	'98/'97	'99/'98
Construction					
Housing Permits	11,100	12,700	13,400	14.4%	5.5%
Single – Family Units	8,000	9,000	9,500	12.5%	5.3%
Multiple – Family Units	3,100	3,700	3,900	19.4%	6.1%
Single – Family Homes					
Average Price	\$219,900	\$240,600	\$269,500	9.4%	12.0%
Median Price	\$185,000	\$200,000	\$221,000	8.1%	10.5%

Source: Economic Research Bureau, Greater San Diego Chamber of Commerce

The statewide total of new vehicle registrations is one of the factors determining the amount of Motor Vehicle License Fees (MVLFF), a major source of General Fund revenues. New registrations continued to grow during Fiscal Year 1999, up by a strong 10.6% over the prior fiscal year.

Indicators for the visitor industry remain strong. Overnight visitors and associated spending continue on a long growth streak. Overnight visitors for the twelve months ended May 1999 showed steady growth rising by 1.2 percent. The level of visitor spending significantly outpaces this rate of growth, as well as the local rate of inflation increasing 4.7 percent to nearly \$4.8 billion for the year.

MAJOR ACCOMPLISHMENTS/ACTIVITIES

For The Year

Fiscal Year 1999 saw San Diego dramatically proving its success in "emerging growth technology" going from having zero to four Fortune 500 locally-based companies. Science Application International Corporation and Qualcomm were both propelled by expanding revenues in calendar 1998 (\$4.47 billion and \$3.34 billion respectively). The creation of Semptra Energy by the merger of Pacific Enterprises and Enova brought to San Diego a company with a \$5.52 billion 1998 revenue base and 11,148 employees worldwide. Gateway, a repeat Fortune 500 company which relocated to San Diego from South Dakota, has a \$7.46 billion 1998 revenue base and exhibited a 215 percent increase in profits.

Novartis, the Swiss pharmaceutical giant, plans to establish a San Diego center for infectious disease research, with an expected budget of \$30 million to \$40 million. The company already is laying groundwork here for two laboratories focused on genetics research. Recruiting has begun for one of those labs, the Institute for Functional Genomics, which is expected to bring at least 70 scientists to San Diego—and 130 jobs in related posts. Novartis' financial support for the three laboratories will likely exceed \$100 million a year.

San Diego was the focus of the May 31, 1999, issue of *Forbes Magazine* on technology hot spots. The City's strategy of developing high-tech clusters and several local pioneering high-tech companies are highlighted. An accompanying story lists San Diego as the 12th most dynamic area in the country for business. Additionally, the March 25, 1999, special "Careers 2000" issue of *Newsweek* named the City of San Diego as among the top 10 cities in projected job creation over the next 25 years.

As an example of the City's proactive, business-friendly activity, with permit assistance from the Economic Development and Redevelopment Division, two major corporations are building new facilities in the City, bringing hundreds of new jobs and millions of dollars of investment to the San Diego region. Finland-based cellular phones manufacturer, Nokia, is building a 188,000 square-foot facility where the firm will develop its newest telephones. When completed, the facility is expected to generate 250 new jobs and \$43 million of investment in San Diego. Safeskin Corp., the world leader in surgical and medical glove production, is building its new headquarters in Carmel Valley. The \$60 million, 240,000 square-foot complex is expected to open in August 2000 and employ more than 600 people.

Additionally, the City assisted Peregrine Systems with its plans to move to a new campus of buildings in Carmel Valley. Construction is underway on the \$175 million project that will eventually include 420,000 square feet in four buildings with an option for a fifth, 120,000 square-foot building.

The City Attorney prevailed in a legal challenge to the City's business improvement district assessments. The Howard Jarvis Taxpayer's Association argued the assessments violated Proposition 218. In a published opinion of statewide significance, the 4th District Court of Appeal found that business improvement district assessments imposed on business operators are not property-related assessments or special taxes as defined by Proposition 218. The decision upholds the use of business improvement district assessments. The district assessments help fund many popular

events, including street fairs and festivals, neighborhood renovation projects, and community improvements. The City's Business Improvement District system, the largest in California, now represents 18 districts, 13,000 businesses and more than \$1 million in pooled funding.

The City received the prestigious Helen Putnam Award of Excellence in economic and community development for the City Heights Urban Village redevelopment project. Presented by the League of California Cities, the award recognizes outstanding achievements by the state's 472 cities. A selection committee judged the Urban Village an innovative solution for inner-city redevelopment. The project is a public-private partnership between the City's Redevelopment Agency and the San Diego Foundation. Funding for the \$24 million project came from local, state and federal grants, the San Diego Unified School District, and local philanthropists. City facilities located in the City Heights Urban Village include a library recreation center, police substation, municipal gym, swimming pool, playing fields, community service center, and an outdoor performance area. An adult learning facility is under construction, and a retail center is planned.

The \$231 million valuation of permitted construction work in June 1999 was the City's third highest, exceeded only by January 1990 (\$296 million) and August 1998 (\$235 million). For the fiscal year ending on June 30, 1999, permits were issued for \$1.64 billion of construction work, up 12 percent from \$1.46 billion in 1998. This made the 1999 fiscal year the fifth highest valuation in San Diego history. Valuation is a measure of construction cost used to set permit fees.

The City Airports Division has completed a major \$2 million renovation of Brown Field Airport. The improvements were made possible by utilizing grant funds from the Federal Aviation Administration and Caltrans and will result in a safer and more efficient operating area for aircraft. The project resulted in a 2,400 foot extension to Taxiway A; the rehabilitation of 1,200 feet of Runway 26L, including a temporary extension of the runway to 4,900 feet; the rehabilitation and narrowing of Runway 26R; and the relocation of runway lighting and directional signs.

Construction began on the \$11.4 million Central Police Station and Community Service Center. This project provides for design development, acquisition and construction of an approximately one and one quarter acre site on the southeast corner of 25th Street and Imperial Avenue which will be used for a new, permanent, decentralized area station and a community service center. This facility will improve the efficiency and effectiveness of police operations by placing an area station in the community and will help the City and Police Department form a closer partnership with the community.

The first phase of construction on the Alvarado Water Treatment Plant began in December 1998. The \$36 million upgrade is one of the first projects begun on the \$773 million upgrade of the City's water system. The Alvarado construction will fully automate the facility and add new filters, pumps and chemical buildings. The project is the first of two phases of construction to meet current and future water needs while continuing to provide a safe and reliable water supply for the City's residents. This first phase of the project is scheduled for completion in summer of 2001.

The renaissance in Balboa Park continued in 1999. Several historic buildings were rehabilitated including the House of Pacific Relations International Cottages and the United Nations building, both built for the 1915 Exposition. The San Diego Hall of Champions gained a new home with the rehabilitation of the Federal Building which opened in July 1999. The Balboa Park Signage Program and Lighting Enhancement Program continued which will enhance the park by providing accessible maps and information at locations throughout the park and lighting into the evening. A new public restroom was added to the gardens at the historic Marston House Estate, and the Organ Pavilion restroom was upgraded to a modern facility. The reconstructed and enhanced Pepper Grove Discovery Playground was dedicated in October 1999 and will provide years of enjoyment for our children.

Weingart City Heights Library opened in November 1998, providing a beautiful new library, performance annex and community center for the area formerly served by the East San Diego Branch Library. This unique complex includes park facilities, 14,850 square foot library, 5,000 square foot Head Start Program, Community service center, 5,000 square foot Performing Annex, computer lab cable connections funded by Cox Communications, and a Parenting Resource Center funded by Mervyn's California and Martin and Enid Gleich.

In addition, planning and design are proceeding for a number of new or expanded libraries - College Heights, La Jolla, Mission Valley, Ocean Beach, Point Loma, Serra Mesa, and San Carlos are all in some phase of planning or design.

Construction is well underway on the expansion of the San Diego Convention Center. Convention officials have secured commitments from 59 conventions and trade shows to come to the expanded facility through 2022. Many of these events are so large they would not have come to San Diego if the center were not expanded. Much of the economic benefit of the actual construction is being felt locally, with 85 out of the 115 construction contracts issued--or 74 percent of the \$138 million in work parceled out to date--going to companies with headquarters in San Diego County. A study done by CIC Research estimated that the expansion job will translate into \$459 million in total regional sales over the three-year construction period. Officials also estimate that the expanded center will generate \$58.5 million annually in hotel room and sales taxes, up from the current \$36.7 million. The expanded center is scheduled to open for business in September 2001.

The Culligan Holiday Bowl accounted for a record \$26.5 million boost to the local economy. Marketing Information Masters reported spending linked to the December 30 game was the highest in the 21-year history of the bowl, far surpassing the previous record of \$15.5 million in 1997. Marketing Information reported that 37,500 people came to San Diego for the game, utilizing 25,900 hotel room nights.

Another major accomplishment, the City of San Diego succeeded in being designated the host of Super Bowl XXXVIII in Fiscal Year 2003. The event is projected to generate a \$295 million regional benefit.

On November 3, 1998, 60% of San Diego voters voting on the measure approved a proposition allowing the City to enter into an agreement with the San Diego Padres for the design and development of a new open air, multi-use baseball facility. The project will be part of a larger private sector redevelopment effort including 600,000 square feet of office space, 150,000 square feet of retail, 850 hotel rooms, and an additional 1,650 new parking spaces within a Ballpark Redevelopment District to be established in the Centre City East area of downtown San Diego. The \$411 million project is projected to create an estimated 12,000 construction related jobs and 5,200 permanent jobs upon completion.

After Fiscal Year

Venture capital funding of new San Diego companies has set a record for the third consecutive quarter in calendar year 1999, as investors pumped \$214 million into 31 companies. Communications and networking companies have raised \$155 million in venture capital this year, twice as much as they did in the first nine months of 1998. Internet-based business services companies, which barely registered in last year's survey, have raised \$87 million in venture capital thus far in 1999. Start-up biotech and device companies have raised \$210 million so far this year, up from \$156 million in the first nine months of 1998.

The City will receive \$3.5 million from the U.S. Department of Housing and Urban Development to develop a regional transportation center in City Heights. The total includes a \$1.5 million Economic Development Initiative grant and a \$2 million Section 108 loan guarantee to assist in construction of the center on El Cajon Boulevard near the Interstate 15 corridor. The center will provide 30 new jobs for low and moderate-income City Heights residents, a vehicle fueling and repair station, and an education facility. The project will help retain 185 jobs at Pearson Ford, a partner in the project along with the City's Redevelopment Agency, Ford Motor Co., and the U.S. Department of Energy. The educational facility will reach 30,000 junior and senior high school students and provide vocational training in the emerging field of alternative fuels for 1,500 technical school students.

The City's "6 to 6" Extended School Day Program will receive \$2.4 million from two grants announced recently. "6 to 6" will receive \$1.2 million of \$16 million that the state's After School Learning and Safe Learning Program recently awarded to San Diego area after-school programs. The "6 to 6" program also received a \$1.2 million AmeriCorps grant. The state grant was received by the San Diego Regional After School Consortium, made up of the City of San Diego, the County of San Diego, 17 local school districts, the County Office of Education, the School Board Association, the 9th District PTA, and 150 community-based organizations.

In December 1999, the Scripps Ranch Community Park Recreation Center will be opened. The 18,000 square foot recreation center includes a large gymnasium, two multi-purpose rooms and a kitchen. The center is a joint use facility with the gymnasium used by students from the adjacent Thurgood Marshall Middle School during morning school hours.

The new Carmel Valley Recreation Center opened in August 1999. The 18,000 square-foot center is equipped with a double-size gymnasium, a meeting room with a kitchen, and an arts and crafts room. There are three pools: one for toddlers, one for aquatic programs, and a third with two large water slides. Four tennis courts, two basketball courts, and a lighted multipurpose field will also serve the facility's estimated 1,000 daily visitors.

Groundbreaking for the Mission Valley Branch Library will take place in December 1999. The facility will encompass 19,500 square feet including a meeting room, computer lab and children's area.

The City's commitment to maintain services to the citizens and increase public safety spending continued in the Fiscal Year 2000 Budget including:

- An additional 10 Police officers for traffic safety.
- Increased funding for a Fire Academy, Fire health and safety equipment and programs, and Fire vehicle equipment and enhancements.
- An additional \$13 million for the Roadway Enhancement Program will provide an additional 168 miles of resurfacing, and 193 miles of slurry sealings above the Fiscal Year 1999 level.
- An additional \$2.5 million to fund the "6 to 6" Extended School Day Program.
- An addition of \$1.68 million from the State Library Foundation Fund grant to fund the first of a three-year program to enhance branch library standards.
- An addition of 22.57 positions for the annualization and new Park and Recreation facilities.

Highlights of the Fiscal Year 2000 Capital Improvement Program are as follows:

- \$216.1 million to continue the \$2.7 billion upgrade of the City's metropolitan and municipal wastewater system. This includes the South Bay Water Reclamation Plant, the Point Loma - Digester Facility Upgrade and Expansion, Phase I of the South Bay Pump Station and Conveyance System, and the South Bay Reclamation Sewer and Pump Station.
- \$107.1 million for Water projects to include water treatment plants, storage and delivery systems, storage reservoirs, pump plants and cast iron water main replacements.
- \$5 million in land acquisition for the Northwest Area Police Sub-Station.
- Development and improvement of Park and Recreation facilities totaling \$22.7 million.
- \$23.5 million for the east/west connection between Interstate 5 and Interstate 15 for State Route 56 - Carmel Valley to Black Mountain Road.
- \$9.7 million for design and land acquisition for Judicial Drive from Golden Haven Drive to Eastgate Mall.
- \$4.8 million in storm drain projects including Beach Area Low Flow projects which will allow for sewer overflows and low flow storm runoff to return to the sewer, preventing pollution in the beach areas.
- \$4.6 million provides for widening and extending Mira Sorrento Place from Scranton Road to Vista Sorrento Parkway.
- \$10 million for the Nobel Drive Extension and Interstate 805 interchange.
- \$6.9 million for traffic control improvements.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluations by management and the internal audit staff of the City. As part of the City's Single Audit, described earlier, tests are performed to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's Single Audit for the fiscal year ended June 30, 1998, provided no instances of material weaknesses in the internal control structure or significant violation of applicable laws and regulations.

The Single Audit for the fiscal year ended June 30, 1999, is currently in progress. The City's management is of the opinion that the results of the Single Audit for Fiscal Year 1999 will not change from that of the previous year.

Budgeting Controls. In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, certain Special Revenue Funds and certain Debt Service Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity or object class within an individual fund. The City Auditor and Comptroller works closely with the Financial Management Department to monitor fund balances, as well as revenue projections, throughout the fiscal year. Variations from budget plans are alleviated in a number of ways, including expenditure reductions or deferrals.

The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are reported as reservations of fund balances since the commitments will be honored in subsequent years.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions. The following schedule presents (in thousands) a summary of **General Fund, Special Revenue Funds and Debt Service Funds** revenues for the fiscal year ended June 30, 1999, and the amount and percentage of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Dollar Increase (Decrease) from FY 1998</u>	<u>Percent Increase (Decrease)</u>
Property Taxes	\$154,162	15.7%	\$ 7,483	5.1%
Special Assessments	19,630	2.0	2,057	11.7
Other Local Taxes:				
Sales Tax	156,168	15.9	8,150	5.5
Transient Occupancy Tax	92,128	9.4	7,040	8.3
Franchises	40,040	4.1	(1,663)	(4.0)
Gasoline and Other Taxes	29,760	3.0	964	3.3
Licenses and Permits	28,280	2.9	2,583	10.1
Fines, Forfeitures and Penalties	25,541	2.6	7,592	42.3
Revenue from Use of Money and Property	77,569	7.9	(3,210)	(4.0)
Revenue from Federal Agencies	118,206	12.1	17,254	17.1
Revenue from Other Agencies	139,035	14.2	22,077	18.9
Revenue from Private Sources	10,740	1.1	943	9.6
Charges for Current Services	82,427	8.4	4,218	5.4
Other Revenue	<u>6,872</u>	<u>0.7</u>	<u>(271)</u>	<u>(3.8)</u>
Total	<u>\$980,558</u>	<u>100.0%</u>	<u>\$75,217</u>	

Special Assessments revenues increase is primarily attributed to the establishment of Reassessment District No. 1999-1.

License and Permits revenues increase is primarily attributed to increases in Housing Linkage Permit receipts.

Fines, Forfeitures and Penalties revenues increase is primarily attributed to increases in Vehicle Code Violation revenues due to Assembly Bill 233 which increased the percentage received by cities from 50% to 100% effective July 1, 1998.

Revenue from Federal Agencies increase is primarily attributed to increases in grants for law enforcement and Community and Economic and Development program activities.

Revenue from Other Agencies increase is primarily attributed to contributions received from the Port District related to the expansion of the Convention Center.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Dollar Increase (Decrease) from FY 1998</u>	<u>Percent Increase (Decrease)</u>
Current:				
General Government	\$ 72,787	7.7%	\$2,736	3.9%
Community and Economic Development	14,740	1.6	773	5.5
Public Safety	356,358	37.8	44,514	14.3
Libraries	24,213	2.6	1,213	5.3
Parks, Recreation and Culture	92,368	9.8	4,067	4.6
Public Works	133,060	14.1	11,748	9.7
Housing and Community Development	100,169	10.6	(1,561)	(1.5)
Other	12,186	1.3	2,401	24.5
Capital Projects	6,363	.7	(11,500)	(64.4)
Debt Service:				
Principal	39,470	4.2	(3,042)	(7.2)
Interest	90,717	9.6	9,701	12.0
Total	<u>\$942,431</u>	<u>100.0%</u>	<u>\$61,050</u>	

Public Safety expenditures increase is primarily attributed to the reimbursement of prior years' Police Decentralization expenditures in the prior fiscal year.

Other expenditures increase is primarily attributed to costs associated with the issuance of tax allocation bonds by the Redevelopment Agency.

Capital Projects expenditures decrease is primarily attributed to the reimbursement of prior years' expenditures for the Convention Center expansion project from bond issuances.

Interest expenditures increase is primarily attributed to the debt issuance of revenue bonds by the San Diego Facilities and Equipment Leasing Corporation and the Convention Center Expansion Financing Authority.

Pursuant to Article XIIIB of the California Constitution (known as the GANN Limit) the City must compute an annual appropriations limit which places a ceiling on the total amount of tax revenues the City can actually appropriate annually. This limit is adjusted each year using the following factors: (1) the percentage change in California Per Capita Income, or the change in the City's non-residential assessed valuation due to new construction, whichever is greater and (2) the percentage change in the Citywide or Countywide population, whichever is greater. In November 1994, voters approved a waiver under which the City was permitted to increase its limit by \$50 million. This waiver covers the four year period Fiscal Year 1996 to Fiscal Year 1999.

The City's total appropriation was \$1,546,835,735 for Fiscal Year 1999 as compared to \$1,309,235,709 in Fiscal Year 1998. A portion of this appropriation was derived from proceeds of taxes as defined by Article XIIIB (GANN) of the State Constitution. The City did not exceed the total (GANN) appropriation limit at fiscal year end. The Fiscal Year 1999 General Fund budget was \$576,077,751 as compared to \$544,667,790 in Fiscal Year 1998.

The Community Development Block Grant is received by the City on an annual basis under Title I from the U.S. Department of Housing & Urban Development and is administered by the Community Services Program of the City Manager's Department. The annual entitlement for the program year 1999 was approximately \$18,198,000 as compared to approximately \$18,090,000 for the program year 1998.

General Fund Balance. The undesignated fund balance of the General Fund was approximately \$21,170,000 at fiscal year-end. This was comprised of approximately \$4,186,000 of revenue and other sources over estimate; approximately \$10,673,000 in appropriation savings, net of designated for subsequent years' expenditures; and approximately \$6,311,000 of Fiscal Year 1998 unappropriated fund balance.

Capital Projects Fund Balances. The undesignated fund balances for the **City Oversight Unit Capital Projects Funds** totaled approximately \$46,880,000 at fiscal year-end. The individual balances are generally restricted for the established purposes of their specific fund category. The primary sources for financing the City's Capital Improvement Program are sales (transnet) tax, developer impact fees, facility benefit assessments, and land sales. The following schedule presents (in thousands) a summary of the **City Oversight Unit Capital Projects Funds** undesignated fund balances as of June 30, 1999. A large portion of these balances have been included for appropriation in the City's Fiscal Year 2000 Six Year Capital Improvements Program.

<u>Fund Category</u>	<u>Amount</u>	<u>General Use</u>
Capital Outlay	\$ 1,451	Public Improvements and Acquisition
Other Construction:		
Facility Benefit Assessment Districts	14,231	District Public Improvements
Development Impact Fees	4,735	District Public Improvements
Park Service Districts	2,769	District Park Improvements
Urban Impact Fees	7,467	District Park Improvements
Development Agreements	5,468	District Public Improvements
1915 Act Districts	5,697	District Public Improvements
Other Capital Projects	<u>5,062</u>	Various Capital Improvements
Total	<u>\$46,880</u>	

Tentative long-term plans for these funds are generally reflected through development plans and/or the annual preparation of the Six Year Capital Improvements Program. An annual budget is adopted for the Capital Outlay Fund reflecting related minor non-capitalized costs and the net change to its long-term capital plan for the current year. The changes in the Six Year Capital Improvements Program between Fiscal Year 1998 and Fiscal Year 1999 reflected projected scheduling adjustments as well as available funding.

Enterprise Operations. The **City Oversight Unit Enterprise Operations** are comprised of nine separate and distinct activities: Airports, consisting of Brown Field and Montgomery Field; The Centre; City Store; Environmental Services; Golf Courses, consisting of Balboa and Torrey Pines courses; Planning and Development Review; Recycling; Sewer Utility; and Water Utility. The fiscal year-end unreserved retained earnings of approximately \$1,071,239,000 for the City's enterprise activities reflects approximately \$21,568,000 available for appropriation with the balance reflecting investments

in enterprise assets, continuing project appropriations, encumbrances and tentative future commitments.

The following schedule displays the undesignated amounts (in thousands) available for appropriation at fiscal year-end for enterprise activities.

<u>Activity</u>	<u>Amount</u>
Airports	\$ 2,058
The Centre	351
City Store	142
Environmental Services	12,034
Golf Courses	1,572
Planning and Development Review	3,994
Recycling	1,417
Sewer Utility	0
Water Utility	0
Total	<u>\$21,568</u>

Airports net income for the year was approximately \$1,043,000 compared to last year's net income of \$814,000. Operating revenues increased by \$648,000, mainly due to an increase in commercial leasing at Montgomery Field and Brown Field Airports. Operating expenses increased by \$414,000 of which \$205,000 was due to an increase in depreciation expense resulting from the capitalization of two capital improvement projects. In addition, general operating expenses increased \$209,000.

Net income for The Centre was approximately \$145,000 as compared to \$184,000 the prior year. Due to a continued expanded client base, revenues increased by over \$250,000 and expenses increased by more than \$230,000.

Environmental Services net income for the year was approximately \$6,399,000 compared to \$14,246,000 the prior year. As a result of the recycling function being transferred to a new Enterprise Fund, there was a decrease in both operating revenues of \$12,345,000 and operating expenses of \$7,577,000. There was an operating transfer to the Recycling Fund of \$1,100,000 and earnings on investments decreased \$616,000. Additionally, there was a one-time revenue of \$967,000 for earth mount storage capacity included in other revenues in the prior fiscal year.

Golf Course net income for the year was approximately \$1,573,000 as compared to \$2,254,000 the previous year. The change was primarily due to a budgeted transfer to governmental funds in the amount of \$695,000. Operating revenues increased by \$188,000 due to an increase in green fees revenue, while operating expenses increased by \$195,000 due to increased staffing requirements.

Planning and Development Review net loss was approximately \$1,557,000 as compared to net income of \$1,950,000 the previous year. This change is substantially the result of an increase in operating revenues of \$2,766,000, primarily due to an increase in permit fee receipts, with a related increase in operating expenses of \$5,425,000 resulting from the addition of 64 positions, the purchase of new computer equipment as a result of the increased volume, and one-time expenses related to Process 2000.

Net income from Recycling was approximately \$4,088,000 in the first year of operation.

Sewer Utility net income for the year was approximately \$1,243,000 compared to last year's net income of \$38,280,000. The change was substantially due to the following: total operating revenue decreased \$6,876,000; maintenance and operations expense increased \$4,252,000; depreciation expense increased \$14,092,000 as a result of the depreciation of the Utility's two new plants, the North City Water Reclamation Plant and the Metro Biosolid Center; the earnings on investments decreased \$5,656,000 due to lower cash balances before the issuance of additional long-term debt;

interest expense on long-term debt increased \$3,403,000 due to the new long-term debt; and there was an increase on the loss on the sale/retirement of fixed assets of \$4,101,000.

Water Utility net loss for the year was approximately \$13,403,000 as compared to net income \$12,229,000 in the previous year. This change is primarily due to an increase of \$24,149,000 in operating expenses and an increase in interest expense on long-term debt of \$17,028,000 which were only partially offset by an increase of \$14,383,000 in operating revenue from the sale of water and an increase of \$3,280,000 in sales of fixed assets due to the sale of land..

Pension Trust Fund Operations. The City Employees' Retirement System (CERS) continued to maintain a sound financial status in Fiscal Year 1999. Operating revenues of approximately \$281,947,000 were realized as compared to \$366,182,000 in Fiscal Year 1998. Included in these amounts were approximately \$101,193,000 and \$86,803,000 in contributions for Fiscal Year 1999 and 1998, respectively. This increase was due to the new Deferred Retirement Option Plan (DROP) and increased participation in the employee buy back program.

Operating deductions for the year were approximately \$103,182,000 as compared to approximately \$88,964,000 in Fiscal Year 1998. This increase in operating deductions is generally the result of annual cost of living adjustments, adjustments in benefits, and normal growth in the number of retirees.

The latest annual actuarial valuation as of June 30, 1998, showed pension funding at a 94.6% level compared to 94.2% at June 30, 1997.

Debt Administration. At June 30, 1999, the **City Oversight Unit** had a small number of debt issues outstanding. These issues included approximately \$20,200,000 of general obligation bonds, approximately \$3,700,000 of revenue bonds/certificates of participation, and approximately \$110,835,000 of special assessment debt. The City has an AA+ rating from Fitch IBCA, an Aa1 rating from Moody's Investors Service, and an AA rating from Standard & Poor's on general obligation bond issues.

Cash Management. The City Treasurer is responsible for the investment of the City's cash. Eligible investments are obligations of the U.S. Treasury and U.S. Agencies, demand deposits, negotiable certificates of deposit, bankers' acceptances, medium-term corporate notes, repurchase agreements, reverse repurchase agreements and commercial paper in compliance with Section 53601-53635 of the state government code. The City's cash is invested under a pooled money concept, with maturities planned to coincide with projected needs, with the primary objective of preserving principal. During Fiscal Year 1999, the average daily pooled portfolio balance was approximately \$1 billion with a weighted average maturity of 385 days. Most of these monies are held in funds that have restricted uses. The largest balances, for instance, are found in the Utility Funds. The average earned income yield on pooled investments was 5.596% as compared to 5.96% in the prior year.

The City Treasurer's investment policy has an objective to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City may transact business only with banks, savings and loans, and investment securities dealers who are primarily dealers regularly reporting to the New York Federal Reserve Bank. Exceptions to this rule are allowed only upon written authorization of the City Treasurer. All nonnegotiable time certificates of deposit and demand accounts in excess of the amounts insured by the Federal Deposit Insurance Corporation are required to be fully collateralized with mortgages or eligible securities in accordance with state law. The City's investments are held by the City's custodian bank in the City's name or the nominee name of the custodian bank, as collateral for a reverse repurchase agreement with the counterpart's custodian bank or with a third party trustee, e.g., California State Treasurer's Office.

The Retirement Board contracts with 26 investment managers to oversee the CERS Trust Fund portfolio, which includes separate cash management as well as investments in corporate and government bonds, stocks, and real estate. This portfolio is therefore more diverse and of a more long term nature than the City's cash pool. During Fiscal Year 1999, CERS achieved a realized return of 9.70%.

Risk Management. The City is self-insured for workers' compensation and long-term disability. The City obtained insurance coverage for general liability claims in Fiscal Year 1991 after being self-insured for the previous six years. The City now has catastrophic coverage of \$24 million per occurrence with a \$1 million self-insured retention.

The workers' compensation and long-term disability programs are accounted for within the Internal Service Self Insurance Fund. They are funded by rate charges to the various departments. Annual rates are established that will collect the necessary monies to pay anticipated claims during the year. The City also accounts for the General Liability Reserve within the Internal Service Self Insurance Fund. Monies in this fund have accumulated from operating transfers of claims appropriations in excess of actual claims paid.

OTHER INFORMATION

Independent Audit. The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Calderon, Jaham & Osborn, CPAs, was selected and awarded a 5-year contract by the City beginning Fiscal Year 1999. In addition to meeting the requirements set forth in the City Charter, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and related OMB Circulars. The independent auditors' report on the general purpose financial statements and the combining, individual fund and account group financial statements and schedules is included in the financial section of this report. The independent auditors' reports related specifically to the Single Audit are included in a separate Single Audit Report.

In addition to the independent accountants, the City maintains its own Internal Audit Division. Along with its duty of assisting the independent accountants, they are responsible for strengthening and reviewing the City's internal controls. Internal Audit performs its own independent operational and financial audits of the City's many funds, departments, and divisions. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of all financial transactions.

GFOA Certificate of Achievement Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Diego, California, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1998. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

CSFMO Award. The California Society of Municipal Finance Officers (CSFMO) again awarded a Certificate for Outstanding Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 1998. In order to receive this "Outstanding Award," the City published an easily readable and efficiently organized CAFR. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate for Outstanding Financial Reporting is valid for a period of one year only. I believe our current report continues to meet the Certificate for Outstanding Financial Reporting requirements, and we are submitting it to the CSFMO.

Acknowledgments. The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the professional, efficient, and dedicated service of the staff of the City Auditor and Comptroller's Department. In particular, I would like to express my appreciation to members of the Accounting Division that contributed to the development of this report. I would also like to thank the Mayor, members of the City Council, and the City Manager for their support and commitment to fiscal integrity and financial leadership.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ed Ryan', is positioned above the printed name and title.

Ed Ryan
City Auditor and Comptroller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Diego,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cary Brueck
President
Jeffrey L. Esser
Executive Director

California Society of Municipal Finance Officers

Certificate of Award

Outstanding Financial Reporting 1997-98

Presented to the

City of San Diego

*This certificate is issued in recognition of meeting professional standards and criteria in reporting
which reflect a high level of quality in the annual financial statements
and in the underlying accounting system from which the reports were prepared.*

March 1, 1999




Chair, Professional & Technical Standards Committee

Dedicated to Excellence in Municipal Financial Management

DIRECTORY OF ELECTED AND OTHER OFFICIALS

Mayor	Susan Golding
Councilmember - District 1	Harry Mathis
Councilmember - District 2	Byron Wear
Councilmember - District 3	Christine Kehoe
Councilmember - District 4	George Stevens
Councilmember - District 5	Barbara Warden
Councilmember - District 6	Valerie Stallings
Councilmember - District 7	Judy McCarty
Councilmember - District 8	Juan Vargas
City Attorney	Casey Gwinn

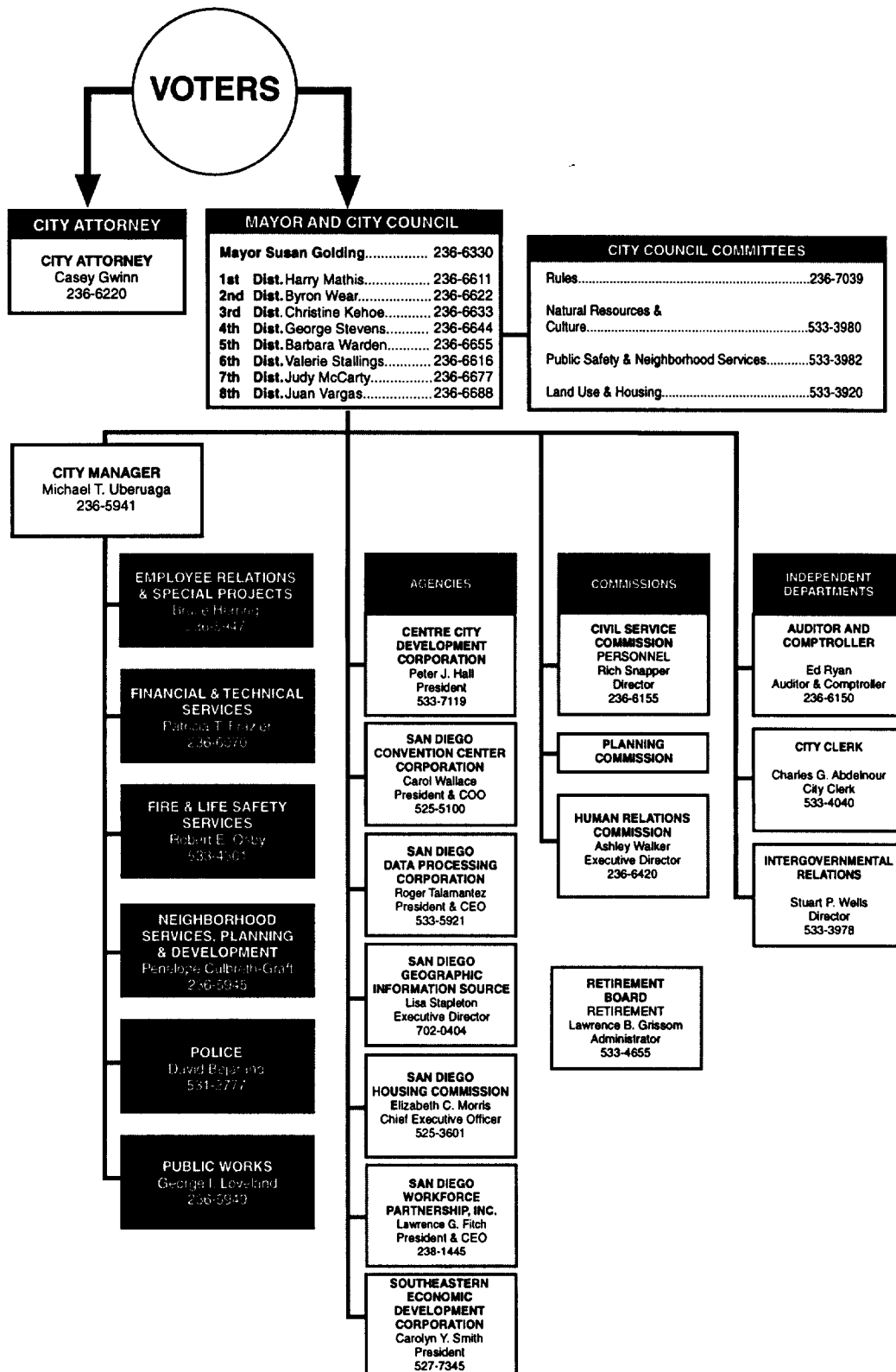
APPOINTED OFFICIALS

City Manager	Michael Uberuaga
City Auditor and Comptroller	Ed Ryan
City Clerk	Charles G. Abdelnour
Intergovernmental Relations	Stuart P. Wells
Personnel	Rich Snapper
Retirement	Lawrence B. Grissom

BUSINESS CENTER MANAGERS

Neighborhood Services, Planning and Development	Penelope Culbreth-Graft
Employee Relations and Special Projects	Bruce Herring
Financial and Technical Services	Patricia T. Frazier
Fire and Life Safety Services	Robert E. Osby
Police	David Bejarano
Public Works	George I. Loveland

City of San Diego Organization Chart



FINANCIAL SECTION



CALDERON, JAHAM & OSBORN

AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

www.cjo.com

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor, Members of the
City Council and City Manager of the
City of San Diego, California

We have audited the accompanying general-purpose financial statements and the combining and individual fund and account group financial statements of the City of San Diego, California, as of and for the year ended June 30, 1999, as listed in the foregoing table of contents. These general-purpose financial statements are the responsibility of the City of San Diego, California management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of San Diego, California, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of San Diego, California, as of June 30, 1999, and the results of operations of such funds and cash flows of its individual proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 19, 1999, on our consideration of the City of San Diego's internal control over financial reporting and our tests of its compliance with certain provisions of laws regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the City of San Diego, California, taken as a whole and on the combining and individual fund and account group financial statements. The information listed as supporting schedules and statistical data in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the City of San Diego, California. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose, combining and individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

The year 2000 ("Y2K") supplementary information on pages 22-2 through 22-4 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City is or will become Y2K compliant, that the City's remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will become Y2K compliant.

November 19, 1999

Calderon, Jaham + Osborn

GENERAL PURPOSE FINANCIAL STATEMENTS

THESE STATEMENTS PROVIDE A SUMMARY OVERVIEW OF THE FINANCIAL POSITION OF ALL FUNDS AND ACCOUNT GROUPS AND OF THE OPERATING RESULTS BY FUND TYPES. THEY ALSO SERVE AS AN INTRODUCTION TO THE MORE DETAILED STATEMENTS AND SCHEDULES THAT FOLLOW.

GENERAL PURPOSE FINANCIAL STATEMENTS

IN ACCORDANCE WITH THE RECOMMENDATIONS OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD, THE FOLLOWING COMBINED STATEMENTS ARE PRESENTED:

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units.

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Unit.

Combined Statement of Revenue, Expenditures and Changes in Undesignated Fund Balances - Budget and Actual (Budgetary Basis) - Budgeted Governmental Fund Types.

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/Fund Balances - All Proprietary Fund Types and Similar Trust Funds and Discretely Presented Component Unit.

Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Fund and Discretely Presented Component Unit.

Combined Statement of Changes in Plan Net Assets.

Notes to Financial Statements.

Required Supplementary Information:

- Pension Trust Funds Analysis of Funding Progress - Last Six Fiscal Years.
- Year 2000 Compliance

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 1999
(In Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash or Equity in Pooled Cash and Investments	\$ 16,005	\$ 244,643	\$ 8,181	\$ 664,090
Cash or Equity in Pooled Cash and Investments - Nonexpendable Trust	—	—	—	—
Cash With Custodian/Fiscal Agent	—	237	16,438	646
Cash With Custodian/Fiscal Agent - Nonexpendable Trust	—	—	—	—
Investments at Fair Value	—	25,248	134,753	161,122
Receivables:				
Taxes - Net	27,491	4,536	28	—
Accounts - Net	29,856	8,567	—	39
Claims - Net	9	14	—	—
Special Assessments - Net	—	433	594	—
Notes	—	58,348	—	239
Contributions	—	—	—	—
Accrued Interest	1,745	5,887	72	6,914
Grants	—	8,339	—	11,070
Loans	—	—	—	—
Loans to Redevelopment Agency	—	599	—	—
From Other Funds	94,547	532	—	37,431
From Primary Government	—	—	—	—
From Other Agencies	1,068	42,199	1,186,375	276
Securities Sold	—	—	—	—
Advances to Other Funds	6,771	8,691	—	4,673
Advances to Primary Government	—	—	—	—
Advances to Other Agencies	350	1,091	—	—
Inventories of Water in Storage	—	—	—	—
Inventories	—	—	—	—
Land Held for Resale	—	2,155	—	43,990
Prepaid and Reimbursable Items and Deposits	302	227	—	—
Restricted Assets:				
Cash or Equity in Pooled Cash and Investments -				
Interest and Redemption Funds	—	687	—	—
Cash with Custodian/Fiscal Agent	—	—	—	—
Deferred Charges	—	—	—	—
Fixed Assets - Net	—	—	—	—
Amount Available for Payment of				
General Long-Term Debt	—	—	—	—
Amount to be Provided for Retirement of				
General Long-Term Debt	—	—	—	—
TOTAL ASSETS AND OTHER DEBITS	\$ 178,144	\$ 412,433	\$ 1,346,441	\$ 930,490

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government	Component Unit	Component Unit	Totals Reporting Entity
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	San Diego Convention Center Corporation	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$ 563,801	\$ 54,628	\$ 120,109	\$ —	\$ —	\$ 1,671,457	\$ 2,639	\$ 1,873	\$ 1,675,969
—	—	164	—	—	164	—	—	164
44	—	20	—	—	17,385	—	—	17,385
—	—	488	—	—	488	—	—	488
—	—	2,861,034	—	—	3,182,157	—	—	3,182,157
—	—	—	—	—	32,055	—	—	32,055
64,517	1,082	4,963	—	—	109,024	2,019	2,287	113,330
—	16	—	—	—	39	—	—	39
13	—	—	—	—	1,040	—	—	1,040
—	—	—	—	—	58,587	—	—	58,587
—	—	6,150	—	—	6,150	—	—	6,150
5,330	68	11,653	—	—	31,669	—	—	31,669
20,964	—	—	—	—	40,373	—	—	40,373
—	—	22,196	—	—	22,196	—	—	22,196
—	—	—	—	—	599	—	—	599
1,434	—	—	—	—	133,944	—	—	133,944
—	—	—	—	—	—	616	—	616
—	—	—	—	—	1,229,918	1,206	1,362	1,232,486
—	—	33,718	—	—	33,718	—	—	33,718
30,962	295	—	—	—	51,392	—	—	51,392
—	—	—	—	—	—	—	500	500
—	—	—	—	—	1,441	—	—	1,441
6,714	—	—	—	—	6,714	—	—	6,714
1,127	2,723	—	—	—	3,850	—	—	3,850
—	—	—	—	—	46,145	—	—	46,145
488,359	92	21	—	—	489,001	610	5	489,616
19,061	—	—	—	—	19,748	226	—	19,974
47	—	—	—	—	47	—	—	47
32,340	—	—	—	—	32,340	—	268	32,608
2,944,155	50,246	119	1,402,947	—	4,397,467	12,033	—	4,409,500
—	—	—	—	189,647	189,647	3,527	—	193,174
—	—	—	—	2,273,804	2,273,804	—	—	2,273,804
<u>\$ 4,178,868</u>	<u>\$ 109,150</u>	<u>\$ 3,060,635</u>	<u>\$ 1,402,947</u>	<u>\$ 2,463,451</u>	<u>\$ 14,082,559</u>	<u>\$ 22,876</u>	<u>\$ 6,295</u>	<u>\$ 14,111,730</u>

Continued on next page

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
June 30, 1999
(In Thousands)

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES				
Accounts Payable	\$ 2,481	\$ 5,707	\$ 15	\$ 7,460
Accrued Wages and Benefits	16,598	2,910	—	—
Other Accrued Liabilities	—	40,097	—	—
Employees' Deferred Compensation				
/401(k) Plans	—	—	—	—
Liability Claims	—	—	—	—
Matured Bonds, Notes and Interest Payable	—	—	2	—
Interest Accrued on Long-Term Debt	—	—	—	—
Long-Term Debt Due Within One Year	—	—	—	—
Due to Other Funds	—	42,481	—	1,312
Due to Component Unit	—	616	—	—
Due to Other Agencies	—	3,362	—	96
Deferred Revenue	30,934	92,389	1,186,905	2,163
Advances from Other Funds	—	559	934	6,072
Advances from Component Unit	—	500	—	—
Advances from Other Agencies	—	39	—	—
Deposits/Advances from Others	—	1,510	—	—
Sundry Trust Liabilities	—	1,372	—	6,087
Estimated Landfill Closure and Postclosure Care	—	—	—	—
Capital Lease Obligations	—	—	—	—
Net Pension Liabilities	—	—	—	—
Securities Purchased	—	—	—	—
Contracts and Notes Payable	88,500	—	—	—
Bonds Payable	—	—	—	—
TOTAL LIABILITIES	138,493	191,542	1,187,856	23,190
FUND EQUITY AND OTHER CREDITS				
Investment in General Fixed Assets	—	—	—	—
Contributed Capital	—	—	—	—
Retained Earnings (Deficit):				
Reserved for Claims and Contingencies	—	—	—	—
Reserved for General Long-Term Claims	—	—	—	—
Unreserved	—	—	—	—
Fund Balances:				
Reserved for Land Held for Resale	—	2,155	—	43,990
Reserved for Encumbrances	9,542	25,626	—	209,805
Reserved for Advances and Deposits	7,121	9,088	—	—
Reserved for Nonexpendable Trust	—	—	—	—
Reserved for Employees' Pension Benefits	—	—	—	—
Reserved for Debt Service	—	31,637	158,010	—
Reserved for Project Equity/Operations	—	10,385	—	—
Unreserved:				
Designated for Unrealized Gains	—	—	575	—
Designated for Subsequent Years' Expenditures	1,818	74,060	—	606,625
Undesignated	21,170	67,940	—	46,880
TOTAL FUND EQUITY AND OTHER CREDITS	39,651	220,891	158,585	907,300
TOTAL LIABILITIES AND FUND EQUITY AND OTHER CREDITS	\$ 178,144	\$ 412,433	\$ 1,346,441	\$ 930,490

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals Primary Government	Component Unit	Component Unit	Totals Reporting Entity
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	San Diego Convention Center Corporation	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$ 36,391	\$ 4,148	\$ 4,051	\$ ---	\$ ---	\$ 60,233	\$ 6	\$ 743	\$ 60,982
19,231	6,724	249	---	45,013	90,725	838	---	91,563
2,444	---	---	---	---	42,541	2,860	---	45,401
---	---	79,680	---	---	79,680	---	---	79,680
9,420	33,733	---	---	31,605	74,758	---	---	74,758
47	---	---	---	---	49	2,978	---	3,027
18,681	200	---	---	---	18,881	---	---	18,881
19,073	3,424	---	---	---	22,497	---	---	22,497
654	---	89,497	---	---	133,944	---	---	133,944
---	---	---	---	---	616	---	---	616
2,030	---	---	---	---	5,488	---	989	6,477
19,768	558	367	---	---	1,333,084	---	---	1,333,084
---	43,497	330	---	---	51,392	---	---	51,392
---	---	---	---	---	500	---	---	500
---	---	---	---	---	39	---	---	39
743	---	8,501	---	---	10,754	3,526	---	14,280
---	---	12,894	---	---	20,353	---	---	20,353
8,239	---	---	---	---	8,239	---	---	8,239
3,505	12,680	---	---	17,551	33,736	---	---	33,736
2,018	398	30	---	7,550	9,996	---	---	9,996
---	---	165,212	---	---	165,212	---	---	165,212
1,492,935	---	553	---	99,947	1,681,935	---	---	1,681,935
---	---	---	---	2,261,785	2,261,785	---	---	2,261,785
1,635,179	105,362	361,364	---	2,463,451	6,106,437	10,208	1,732	6,118,377
---	---	---	1,402,947	---	1,402,947	12,033	---	1,414,980
1,460,363	226	---	---	---	1,460,589	---	20	1,460,609
---	8,505	---	---	---	6,505	---	4,543	11,048
---	(29,016)	---	---	---	(29,016)	---	---	(29,016)
1,083,326	26,073	---	---	---	1,109,399	---	---	1,109,399
---	---	---	---	---	46,145	---	---	46,145
---	---	3,054	---	---	248,027	---	---	248,027
---	---	---	---	---	16,209	---	---	16,209
---	---	11,765	---	---	11,765	---	---	11,765
---	---	2,681,547	---	---	2,681,547	---	---	2,681,547
---	---	---	---	---	189,647	---	---	189,647
---	---	---	---	---	10,385	---	---	10,385
---	---	162	---	---	737	---	---	737
---	---	613	---	---	683,116	635	---	683,751
---	---	2,130	---	---	138,120	---	---	138,120
2,543,689	3,788	2,699,271	1,402,947	---	7,976,122	12,668	4,563	7,993,353
\$ 4,178,868	\$ 109,150	\$ 3,060,635	\$ 1,402,947	\$ 2,463,451	\$ 14,082,559	\$ 22,876	\$ 6,295	\$ 14,111,730

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT
Year Ended June 30, 1999
(In Thousands)

	General
REVENUES	
Property Taxes	\$ 130,624
Special Assessments	---
Sales Taxes	128,339
Other Local Taxes	86,968
Licenses and Permits	20,630
Fines, Forfeitures and Penalties	23,613
Revenue from Use of Money and Property	29,940
Revenue from Federal Agencies	2,026
Revenue from Other Agencies	55,697
Revenue from Private Sources	---
Charges for Current Services	70,244
Other Revenue	2,526
TOTAL REVENUES	550,607
EXPENDITURES	
Current:	
General Government	67,405
Community and Economic Development	14,740
Public Safety	315,231
Libraries	21,824
Parks, Recreation and Culture	44,910
Public Works	70,413
Housing and Community Development	---
Public Transportation	---
Employee Relations and Special Projects	723
Miscellaneous and Unallocated	2,505
Cost of Issuance, Bonds and Notes	---
Capital Projects	---
Debt Service:	
Principal Retirement	---
Interest	4,894
TOTAL EXPENDITURES	542,645
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,962
OTHER FINANCING SOURCES (USES)	
Transfers from Proprietary/Fiduciary Funds	1,574
Transfers from Other Funds	28,369
Transfers from Component Unit	588
Transfers from Primary Government	---
Transfers to Proprietary Funds	(15,816)
Transfers to Other Funds	(24,365)
Transfers to Component Unit	(900)
Proceeds of Refunding Bonds	---
Proceeds of Revenue Bonds	---
Proceeds of Tax Allocation Bonds	---
Payment to Refunding Bond Escrow Agent	---
Payment to Tax Allocation Bond Escrow Agent	---
TOTAL OTHER FINANCING SOURCES (USES)	(10,550)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,588)
Fund Balances at Beginning of Year	40,434
Residual Equity Transfers from (to) Other Funds	1,805
FUND BALANCES AT END OF YEAR	\$ 39,651

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Governmental Fund Types			Fiduciary Fund Type	Totals Primary Government (Memo- randum Only)	Component Unit San Diego Convention Center Corporation	Totals Reporting Entity (Memo- randum Only)
Special Revenue	Debt Service	Capital Projects	Expendable Trust			
\$ 9,187	\$ 14,351	\$ 6,496	\$ ---	\$ 160,658	\$ ---	\$ 160,658
6,541	13,089	---	---	19,630	---	19,630
27,829	---	22,869	---	179,037	---	179,037
74,960	---	---	---	161,928	---	161,928
7,650	---	6,574	---	34,854	---	34,854
1,928	---	---	---	25,541	---	25,541
39,941	7,688	34,989	246	112,804	6,705	119,509
116,180	---	5,985	---	124,191	---	124,191
22,324	61,014	27,299	---	166,334	2,929	169,263
10,740	---	39,654	285	50,679	---	50,679
12,183	---	---	---	82,427	12,170	94,597
4,346	---	3,672	---	10,544	988	11,532
333,809	96,142	147,538	531	1,128,627	22,792	1,151,419
5,299	83	4,964	155	77,906	---	77,906
---	---	---	---	14,740	---	14,740
41,127	---	---	1	356,359	---	356,359
2,389	---	---	101	24,314	---	24,314
47,458	---	7,096	40	99,504	20,228	119,730
62,647	---	3,414	---	136,474	---	136,474
100,169	---	---	---	100,169	---	100,169
30	---	---	---	30	---	30
6,484	---	---	---	7,207	---	7,207
---	---	---	---	2,505	---	2,505
1,060	1,384	7,942	---	10,386	---	10,386
6,363	---	433,522	268	440,153	4,128	444,281
1,160	38,310	---	---	39,470	---	39,470
1,316	84,507	---	---	90,717	---	90,717
275,502	124,284	456,938	565	1,399,934	24,354	1,424,288
58,307	(28,142)	(309,400)	(34)	(271,307)	(1,562)	(272,869)
165	---	292	---	2,031	---	2,031
90,136	34,078	127,828	---	280,411	---	280,411
---	---	---	---	588	---	588
---	---	---	---	---	1,514	1,514
(47)	---	(659)	---	(16,522)	---	(16,522)
(176,836)	(57,476)	(21,732)	(2)	(280,411)	---	(280,411)
(1,514)	---	---	---	(2,414)	---	(2,414)
1,139	42,670	---	---	43,809	---	43,809
---	91,640	840,650	---	932,290	---	932,290
52,483	13,656	---	---	66,139	---	66,139
(40)	(55,928)	---	---	(55,968)	---	(55,968)
---	(8,169)	---	---	(8,169)	---	(8,169)
(34,514)	60,471	946,379	(2)	961,784	1,514	963,298
23,793	32,329	636,979	(36)	690,477	(48)	690,429
197,098	126,256	270,321	3,008	637,117	683	637,800
---	---	---	---	1,805	---	1,805
\$ 220,891	\$ 158,585	\$ 907,300	\$ 2,972	\$ 1,329,399	\$ 635	\$ 1,330,034

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS) - BUDGETED GOVERNMENTAL FUND TYPES
Year Ended June 30, 1999
(In Thousands)**

	General Fund	
	Actual on Budgetary Basis	Budget
REVENUES		
Property Taxes	\$ 130,624	\$ 130,392
Special Assessments	—	—
Sales Taxes	128,339	119,124
Other Local Taxes	86,968	82,728
Licenses and Permits	20,630	18,084
Fines, Forfeitures and Penalties	23,613	22,901
Revenue from Use of Money and Property	30,336	29,832
Revenue from Federal Agencies	2,026	1,880
Revenue from Other Agencies	55,697	54,285
Revenue from Private Sources	—	—
Charges for Current Services	70,244	66,218
Other Revenue	2,526	2,224
TOTAL REVENUES	551,003	527,668
EXPENDITURES		
Current:		
General Government	69,365	73,081
Community and Economic Development	15,271	15,559
Public Safety	318,855	321,486
Libraries	22,089	22,594
Parks, Recreation and Culture	47,619	50,001
Public Works	72,197	74,709
Housing and Community Development	—	—
Public Transportation	—	—
Employee Relations and Special Projects	738	761
Miscellaneous and Unallocated	2,581	3,015
Capital Projects	—	—
Debt Service:		
Principal Retirement	—	—
Interest	4,894	4,894
TOTAL EXPENDITURES	553,609	566,100
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,606)	(38,432)
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary/Fiduciary Funds	2,100	3,360
Transfers from Other Funds	28,369	46,258
Transfers from Component Unit	588	588
Transfers to Proprietary Funds	(17,121)	(17,121)
Transfers to Other Funds	(24,365)	(24,365)
Transfers to Component Unit	(900)	(900)
TOTAL OTHER FINANCING SOURCES (USES)	(11,329)	7,820
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(13,935)	(30,612)
Fund Balances Undesignated at July 1, 1998	24,001	24,001
Residual Equity Transfers from (to) Other Funds	1,805	1,805
Reserved for Encumbrances at July 1, 1998	9,181	9,181
Reserved for Debt Service at July 1, 1998	—	—
Reserved for Debt Service at June 30, 1999	—	—
Designated for Subsequent Years' Expenditures at July 1, 1998	1,936	1,936
Designated for Subsequent Years' Expenditures at June 30, 1999	(1,818)	—
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999	\$ 21,170	\$ 6,311

The accompanying notes are an integral part of the financial statements.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Budgeted Special Revenue Funds		Budgeted Debt Service Funds		Budgeted Capital Projects Funds		Totals (Memorandum Only)		
Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 3,911	\$ 4,106	\$ 2,328	\$ 2,072	\$ —	\$ —	\$ 136,863	\$ 136,570	\$ 293
6,423	7,244	—	—	—	—	6,423	7,244	(821)
27,829	38,399	—	—	1,399	125	157,567	157,648	(81)
74,960	73,459	—	—	—	—	161,928	156,187	5,741
1,034	1,220	—	—	—	—	21,664	19,304	2,360
1,789	2,089	—	—	—	—	25,402	24,990	412
17,965	16,246	153	95	420	359	48,874	46,532	2,342
43	—	—	—	4,861	14,232	6,930	16,112	(9,182)
18,763	18,826	—	—	11,264	17,163	85,724	90,274	(4,550)
55	29	—	—	—	—	55	29	26
9,567	11,611	—	—	—	—	79,811	77,829	1,982
884	2,356	—	—	2,251	3,205	5,661	7,785	(2,124)
163,223	175,585	2,481	2,167	20,195	35,084	736,902	740,504	(3,602)
1,932	1,995	1	1	—	—	71,298	75,077	3,779
—	—	—	—	—	—	15,271	15,559	288
16,095	15,750	—	—	—	—	334,950	337,236	2,286
—	—	—	—	—	—	22,089	22,594	505
48,806	59,570	—	—	81	195	96,506	109,766	13,260
54,222	67,137	—	—	—	—	126,419	141,846	15,427
5,578	6,355	—	—	—	—	5,578	6,355	777
19	510	—	—	—	—	19	510	491
—	—	—	—	—	—	738	761	23
—	—	—	—	—	—	2,581	3,015	434
(4,094)	13,435	—	—	19,084	37,803	14,990	51,238	36,248
—	—	1,775	1,775	—	—	1,775	1,775	—
—	—	1,746	1,746	—	—	6,640	6,640	—
122,558	164,752	3,522	3,522	19,165	37,998	698,854	772,372	73,518
40,665	10,833	(1,041)	(1,355)	1,030	(2,914)	38,048	(31,868)	69,916
105	104	—	—	—	—	2,205	3,464	(1,259)
61,347	79,249	1,069	1,069	2,755	2,782	93,540	129,358	(35,818)
—	—	—	—	—	—	588	588	—
(47)	(47)	—	—	—	—	(17,168)	(17,168)	—
(98,064)	(110,820)	—	—	(5,412)	(5,412)	(127,841)	(140,597)	12,756
(1,514)	(6,336)	—	—	—	—	(2,414)	(7,236)	4,822
(38,173)	(37,850)	1,069	1,069	(2,657)	(2,630)	(51,090)	(31,591)	(19,499)
2,492	(27,017)	28	(286)	(1,627)	(5,544)	(13,042)	(63,459)	50,417
36,578	36,582	—	—	1,769	1,769	62,348	62,352	(4)
—	—	—	—	—	—	1,805	1,805	—
16,977	16,977	—	—	973	973	27,131	27,131	—
—	—	2,896	2,896	—	—	2,896	2,896	—
—	—	(2,924)	(2,610)	—	—	(2,924)	(2,610)	(314)
10,857	10,857	—	—	4,021	4,021	16,814	16,814	—
(28,589)	(1,100)	—	—	(3,685)	—	(34,092)	(1,100)	(32,992)
\$ 38,315	\$ 36,299	\$ —	\$ —	\$ 1,451	\$ 1,219	\$ 60,936	\$ 43,829	\$ 17,107

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS/FUND BALANCES - ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT**
Year Ended June 30, 1999
(In Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
OPERATING REVENUES		
Earnings on Investments	\$ —	\$ —
Sale of Water	167,843	—
Charges for Services	297,437	41,861
Contributions	4	42,576
Revenue from Use of Property	2,880	—
Usage Fees	50,597	24,764
Other	11,198	1,290
TOTAL OPERATING REVENUES	529,959	110,491
OPERATING EXPENSES		
Benefit and Claim Payments	—	44,801
Maintenance and Operations	238,536	38,704
Cost of Materials Issued	235	18,998
Cost of Water Purchased	84,123	—
Taxes	6,812	—
Administration	114,666	12,546
Depreciation and Amortization	51,815	8,353
TOTAL OPERATING EXPENSES	496,187	123,402
OPERATING INCOME (LOSS)	33,772	(12,911)
NONOPERATING REVENUES (EXPENSES)		
Earnings on Investments	26,042	347
Federal Grant Assistance	5,787	—
Other Agency Grant Assistance	2,577	—
Debt Service Interest Payments	(59,726)	(599)
Cost of Issuance of Long - Term Debt	(1,204)	—
Gain (Loss) on Sale/Retirement of Fixed Assets	(2,811)	1,005
Other	(3,979)	420
TOTAL NONOPERATING REVENUES (EXPENSES)	(33,314)	1,173
INCOME (LOSS) BEFORE OPERATING TRANSFERS	458	(11,738)
Operating Transfers In	3,600	4,412
Transfers from Governmental Funds	584	15,938
Transfers from Primary Government	—	—
Operating Transfers Out	(3,784)	(4,228)
Transfers to Governmental Funds	(1,255)	(292)
Transfers to Primary Government	—	—
NET INCOME (LOSS)	(397)	4,092
Retained Earnings (Deficit)/Fund Balances at Beginning of Year	1,083,723	(530)
RETAINED EARNINGS (DEFICIT)/FUND BALANCES AT END OF YEAR	\$ 1,083,326	\$ 3,562

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund	Totals Primary Government	Component Unit	Totals
Nonexpendable Trust	(Memo- randum Only)	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$ 730	\$ 730	\$ ---	\$ 730
---	167,843	---	167,843
61	339,359	21,108	360,467
---	42,580	---	42,580
---	2,880	---	2,880
---	75,361	---	75,361
---	12,488	---	12,488
791	641,241	21,108	662,349
---	44,801	---	44,801
27	277,267	19,942	297,209
---	19,233	---	19,233
---	84,123	---	84,123
---	6,812	---	6,812
3	127,215	---	127,215
---	60,168	---	60,168
30	619,619	19,942	639,561
761	21,622	1,166	22,788
---	26,389	---	26,389
---	5,787	---	5,787
---	2,577	---	2,577
---	(60,325)	(12)	(60,337)
---	(1,204)	---	(1,204)
---	(1,806)	---	(1,806)
---	(3,559)	---	(3,559)
---	(32,141)	(12)	(32,153)
761	(10,519)	1,154	(9,365)
---	8,012	---	8,012
---	16,522	---	16,522
---	---	900	900
---	(8,012)	---	(8,012)
(484)	(2,031)	---	(2,031)
---	---	(588)	(588)
277	3,972	1,466	5,438
11,622	1,094,815	3,077	1,097,892
\$ 11,899	\$ 1,098,787	\$ 4,543	\$ 1,103,330

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNIT
Year Ended June 30, 1999
(In Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 33,772	\$ (12,911)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Earnings on Investments Included		
in Operating Income	—	—
Depreciation and Amortization	51,815	8,353
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables:		
Accounts and Special Assessments - Net	7,794	(757)
Claims - Net	—	12
From Other Funds	(683)	—
(Increase) Decrease in Inventories	2,882	512
(Increase) Decrease in Deferred Charges	—	—
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	(237,070)	89
Increase (Decrease) in Accounts Payable	(8,260)	1,568
Increase (Decrease) in Advances	—	(24)
Increase (Decrease) in Accrued Wages and Benefits	2,356	578
Increase (Decrease) in Other Accrued Liabilities	932	—
Increase (Decrease) in Liability Claims	268	5
Increase (Decrease) in Due to Other Funds	(97)	—
Increase (Decrease) in Due to Other Agencies	350	—
Increase (Decrease) in Deferred Revenue	701	(13)
Increase (Decrease) in Net Pension Liabilities	1,324	253
Increase (Decrease) in Estimated Landfill Closure and Postclosure Care	775	—
Other Nonoperating Revenue (Expenses)	(3,979)	420
NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES	(147,120)	(1,915)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Transfers In	3,600	4,412
Transfers from Governmental Funds	584	15,938
Transfers from Primary Government	—	—
Operating Transfers Out	(3,784)	(4,228)
Transfers to Governmental Funds	(1,255)	(292)
Transfers to Primary Government	—	—
Operating Grants Received	172	—
Proceeds from Advances and Deposits	40	8,110
Payments for Advances and Deposits	(2,608)	(2,103)
NET CASH PROVIDED BY (USED FOR)		
NONCAPITAL FINANCING ACTIVITIES	(3,251)	21,837

The accompanying notes are an integral part of the financial statements.

<u>Fiduciary Fund Type</u>	<u>Totals Primary Government</u>	<u>Component Unit</u>	<u>Totals</u>
<u>Nonexpendable Trust</u>	<u>(Memo- random Only)</u>	<u>San Diego Medical Services Enterprise, LLC</u>	<u>(Memorandum Only)</u>
\$ 761	\$ 21,622	\$ 1,166	\$ 22,788
(730)	(730)	—	(730)
—	60,168	—	60,168
—	7,033	695	7,728
—	12	—	12
—	(683)	(1,326)	(2,009)
—	3,394	—	3,394
—	—	107	107
—	(236,981)	(5)	(236,986)
—	(6,692)	560	(6,132)
—	(24)	—	(24)
—	2,934	—	2,934
—	932	—	932
—	277	—	277
—	(97)	(515)	(612)
—	350	614	964
—	691	—	691
—	1,573	—	1,573
—	775	—	775
—	(3,559)	—	(3,559)
<u>31</u>	<u>(149,005)</u>	<u>1,296</u>	<u>(147,709)</u>
—	8,012	—	8,012
—	16,522	—	16,522
—	—	900	900
—	(8,012)	—	(8,012)
(484)	(2,031)	—	(2,031)
—	—	(588)	(588)
—	172	—	172
—	8,150	—	8,150
—	(4,711)	—	(4,711)
<u>(484)</u>	<u>18,102</u>	<u>312</u>	<u>18,414</u>

Continued on next page

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNIT
Year Ended June 30, 1999
(In Thousands)

	Proprietary Fund Types	
	Enterprise	Internal Service
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from Issuance of Long-Term Debt	\$ 478,912	\$ 8,346
Proceeds from Contributed Capital	66,057	—
Return of Contributed Capital	(1,805)	—
Acquisition of Fixed Assets	(243,300)	(17,347)
Proceeds from the Sale of Fixed Assets	1,414	1,376
Principal Payment on Capital Lease	(294)	(2,007)
Principal Paid on Long-Term Debt	(19,220)	—
Interest Paid on Long-Term Debt	(46,188)	(495)
NET CASH PROVIDED BY (USED FOR)		
CAPITAL AND RELATED FINANCING ACTIVITIES	235,576	(10,127)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchase)Sale of Investments	—	—
Interest and Dividends Received on Investments	26,737	343
NET CASH PROVIDED BY (USED FOR)		
INVESTING ACTIVITIES	26,737	343
Net Increase (Decrease) in Cash and Cash Equivalents	111,942	10,138
Cash and Cash Equivalents at Beginning of Year	471,011	44,490
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 582,953	\$ 54,628

The accompanying notes are an integral part of the financial statements.

Fiduciary Fund Type	Totals Primary Government	Component Unit	Totals
Nonexpendable Trust	(Memo- randum Only)	San Diego Medical Services Enterprise, LLC	(Memorandum Only)
\$ ---	\$ 487,258	\$ ---	\$ 487,258
---	66,057	---	66,057
---	(1,805)	---	(1,805)
---	(260,647)	---	(260,647)
---	2,790	---	2,790
---	(2,301)	---	(2,301)
---	(19,220)	---	(19,220)
---	(46,683)	(26)	(46,709)
---	225,449	(26)	225,423
(294)	(294)	---	(294)
874	27,954	14	27,968
580	27,660	14	27,674
127	122,207	1,596	123,803
525	516,026	277	516,303
\$ 652	\$ 638,233	\$ 1,873	\$ 640,106

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS
Year Ended June 30, 1999
(In Thousands)

	Pension Trust
ADDITIONS	
Contributions	\$ 137,233
Earnings on Investments	216,387
Other Income (Expenses)	290
TOTAL OPERATING ADDITIONS	353,910
DEDUCTIONS	
Benefit and Claim Payments	127,895
Administration	3,216
Depreciation	28
TOTAL OPERATING DEDUCTIONS	131,139
NET INCREASE	222,771
NET ASSETS AT BEGINNING OF YEAR	2,461,629
NET ASSETS AT END OF YEAR	\$ 2,684,400



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

1. SUMMARY OF SIGNIFICANT POLICIES

The City of San Diego (the "City") adopted its charter on April 7, 1931 and operates as a municipality in accordance with State laws. The City is governed by an elected nine member City Council, including the Mayor. Residents of the City are provided with a wide range of services including parks, recreation, police, fire, water and sewer services.

The accounting policies of the City conform to generally accepted accounting principles ("GAAP") as applicable to governmental units. The following is a summary of the more significant of such policies:

a. Scope of Financial Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Component units should be included in the reporting entity financial statements using the blending method if either of the following criteria are met:

- i. The component unit's governing body is substantively the same as the governing body of the primary government (the City).
- ii. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Included within the reporting entity as blended component units:

- Centre City Development Corporation
- City of San Diego Metropolitan Transit Development Board Authority (a joint-powers agency)
- Convention Center Expansion Financing Authority
- Public Facilities Financing Authority
- Redevelopment Agency of the City of San Diego
- San Diego Data Processing Corporation
- San Diego Facilities and Equipment Leasing Corporation
- San Diego Housing Authority
- San Diego Industrial Development Authority
- San Diego Open Space Park Facilities District #1
- Southeastern Economic Development Corporation

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

A brief description of each blended component unit follows:

- Centre City Development Corporation, Inc. is a not-for-profit public benefit corporation organized in 1975 by the City to administer certain redevelopment projects in downtown San Diego and to provide redevelopment advisory services to the Redevelopment Agency of the City of San Diego. Centre City Development Corporation's budget and Governing Board are approved by the City Council and services are provided exclusively to the City.
- City of San Diego Metropolitan Transit Development Board Authority was established in 1988 by a joint exercise of powers agreement between the City and the San Diego Metropolitan Development Board. The City of San Diego Metropolitan Transit Development Board Authority was created to acquire, construct, maintain, repair, manage, operate and control facilities, to provide public capital improvements including public mass transit guideways, public transit systems and related transportation facilities primarily benefiting the City. The City appoints two Councilmembers to the Governing Board and the San Diego Metropolitan Development Board appoints one. The Authority provides services almost entirely to the City.
- The Convention Center Expansion Financing Authority (the "Authority") is a joint powers authority formed under and pursuant to Section 6500 et seq. of the California Government Code and a Joint Exercise of Powers Agreement dated as of May 1, 1996, between the City and the San Diego Unified Port District (the "District"). The Authority was established to assist the City and the District with respect to the financing, acquisition and construction of an expansion to the existing convention center. The Governing Board is administered by the Mayor, the City Manager, the District Director and a member of the Board of District Commissioners.
- The Public Facilities Financing Authority was established in 1991 by a joint exercise of powers agreement between the City and the Redevelopment Agency of the City of San Diego to acquire, construct, maintain, repair, manage, operate and control facilities for public capital improvements. The Authority provides services exclusively to the City.
- The Redevelopment Agency of the City of San Diego was established by the City in 1958 in order to provide a method for revitalizing deteriorating and blighted areas of the City and began functioning in 1969 under the authority granted by the community redevelopment law. The City Council is the Governing Board and the Redevelopment Agency of the City of San Diego provides services exclusively to the City.
- San Diego Data Processing Corporation was formed in 1979 as a not-for-profit public benefit corporation for the purpose of providing data processing services to public agencies, primarily the City, which is the sole member. The San Diego Data Processing Corporation's budget and Governing Board are approved by the City Council. San Diego Data Processing Corporation provides services almost exclusively to the City.
- The San Diego Facilities and Equipment Leasing Corporation is a not-for-profit public benefit corporation established in 1987 by the City for the purpose of acquiring and leasing to the City real and personal property to be used in the municipal operations of the City. The City Council is the Governing Board and the benefit is exclusively to the City.
- The San Diego Housing Authority is a public entity primarily serving low income families by providing rental assistance payments, rental housing loans and other housing services. The City Council is the Governing Board of the Housing Authority. The Housing Authority has established a not-for-profit corporation (the San Diego Housing Commission) to administer the operation of the

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Housing Authority's functions. The San Diego Housing Commission stand-alone financial statements are prepared on a HUD prescribed "Other Comprehensive Basis of Accounting" and are converted to a GAAP basis for inclusion in the City's Comprehensive Annual Financial Report.

- The San Diego Industrial Development Authority was established in 1983 by the City for the purpose of providing an alternate method of financing to participating parties for economic development purposes. The City Council is the Governing Board and benefit is exclusively to the City.
- The San Diego Open Space Park Facilities District #1 was established in 1978 by the City for the purpose of acquiring open space properties to implement the Open Space Element of the City's General Plan. The boundaries are contiguous with the City's. The City Council is the Governing Board and the benefit is exclusively to the City.
- Southeastern Economic Development Corporation, Inc. is a not-for-profit public benefit corporation organized in 1980 by the City to administer certain redevelopment projects in southeast San Diego and to provide redevelopment advisory services to the Redevelopment Agency of the City of San Diego. Southeastern Economic Development Corporation's budget and Governing Board are approved by the City Council and services are provided exclusively to the City.

Discretely presented component units, also legally separate entities, have financial data reported in a separate column from the financial data of the primary government to demonstrate they are financially and legally separate from the primary government. Component units should be discretely presented in the reporting entity financial statements when neither of the above two criteria are met.

Included within the reporting entity as discretely presented component units:

- San Diego Convention Center Corporation ("SDCCC")

SDCCC is a non-profit public benefit corporation originally organized to market, operate and maintain the San Diego Convention Center. On July 1, 1993, SDCCC assumed similar responsibility for the San Diego Concourse as well. The City is a sole member of SDCCC and acts through the San Diego City Council in accordance with the City Charter and the City's Municipal Code. The City appoints seven voting members out of the nine-member Board of Directors of SDCCC. The City is liable for any operating deficits and would be secondarily liable for any debt issuances of SDCCC (currently, there is no debt outstanding). SDCCC is discretely presented because it provides services direct to the citizenry.

- San Diego Medical Services Enterprise, LLC ("SDMSE")

The SDMSE was organized on May 2, 1997 to provide emergency medical services and medical transportation services to the citizens of San Diego. Operations began July 1, 1997. The SDMSE partners are the City of San Diego and Rural Metro of San Diego, Inc., a wholly owned subsidiary of Rural Metro Corporation (a private corporation). The SDMSE governing board is comprised of five members, three of whom are appointed by the City. The City is financially obligated for any deficits and debt of SDMSE up to a maximum of \$6,500,000 over five years. The SDMSE is discretely presented because it provides services direct to the citizenry.

Complete financial statements for each of the individual component units may be obtained from the City Auditor and Comptroller's office.

Each blended and discretely presented component unit has a June 30 year end.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)**b. Basis of Presentation**

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/retained earnings, revenues and expenditures/expenses. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the City:

GOVERNMENTAL FUND TYPES

Governmental Fund Types are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in Proprietary Fund Types) are accounted for through Governmental Fund Types. The measurement focus is upon determination of financial position and changes in financial position, rather than upon net income determination. The following are the City's Governmental Fund Types:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those for expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Fund Types and certain trust funds).

PROPRIETARY FUND TYPES

Proprietary Fund Types are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector and are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City adopts all applicable FASB Statements and Interpretations issued on or before November 30, 1989, in accounting and reporting for its proprietary operations unless those pronouncements conflict with or contradict GASB pronouncements. The measurement focus is upon determination of net income, financial position and changes in cash flows. The following are the City's Proprietary Fund Types:

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

FIDUCIARY FUND TYPES

Fiduciary Fund Types are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds:

Trust and Agency Funds - Trust and Agency Funds include Expendable, Nonexpendable, Pension Trust and Agency Funds. Nonexpendable and Pension Trust Funds are accounted for and reported in the same manner as Proprietary Fund Types since capital maintenance is critical. Expendable Trust and Agency Funds are accounted for and reported similar to Governmental Fund Types.

ACCOUNT GROUPS

Account Groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt. The following are the City's account groups:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the City, other than those accounted for in the Proprietary Fund Types.

General Long-Term Debt Account Group - This account group is established to account for all long-term debt of the City, except for that accounted for in the Proprietary Fund Types.

c. Basis of Accounting

Governmental Fund Types, Expendable Trust and Agency Funds:

The modified accrual basis of accounting is followed in the Governmental Fund Types, Expendable Trust and Agency Funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Revenues which are considered susceptible to accrual include real and personal property taxes, other local taxes, refuse collection franchise fees, fines, forfeitures and penalties, motor vehicle license fees, interest and state and federal grants and subventures. In applying the susceptible to accrual concept to state and federal revenues, the legal and contractual requirements of the numerous individual programs are used as guidance.

Licenses and permits, charges for services, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Expenditures are recognized when the related fund liability is incurred except for (1) principal and interest of general long-term debt which are recognized when due; and (2) employee annual leave and claims and judgments from litigation and self-insurance which are recorded in the period due and payable since such amounts will not currently be liquidated with expendable available financial resources. The total future liability is reflected in the General Long-Term Debt Account Group.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

SDCCC, a discretely presented component unit, is accounted for under the modified accrual basis of accounting.

Proprietary Fund Types, Pension Trust and Nonexpendable Trust Funds:

The accrual basis of accounting is used in all Proprietary Fund Types, Pension Trust and Nonexpendable Trust Funds. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred. Estimated unbilled revenues from the Water and Sewer Utility (Enterprise) Funds are recognized at the end of each fiscal year. This estimated amount is based on billings during the month following the close of the fiscal year.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

SDMSE, a discretely presented component unit, is accounted for under the accrual basis of accounting.

d. Property Taxes

The County of San Diego (the "County") bills and collects property taxes on behalf of numerous special districts and incorporated cities, including the City. The City's collection of current year's taxes are received through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on March 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

Since the passage of California's Proposition 13, beginning with Fiscal Year 1978-79 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can rise at a maximum of 2% per year.

This Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

Property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days of the end of the fiscal year. Property taxes received after this date are not considered available as a resource that can be used to finance the current year operations of the City and, therefore, are not recorded as revenue until collected.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

The City provides an allowance for uncollected property taxes of 3% of the outstanding balance which is reflective of historical collections.

e. Budgetary Data

On or before the first meeting in May of each year the City Manager submits to the City Council a proposed operating and capital improvements budget for the fiscal year commencing July 1. Such budget includes annual budgets for the following funds:

General Fund**Special Revenue Funds:****City of San Diego Reporting Entity:**

Acquisition, Improvement and Operation

Environmental Growth Funds:

Two-Thirds Requirement

One-Third Requirement

Police Decentralization

Public Transportation

Qualcomm Stadium Operations

Special Gas Tax Street Improvement

Street Division Operations

Transient Occupancy Tax

Zoological Exhibits

Other Special Revenue

Centre City Development Corporation

Southeastern Economic Development Corporation

Debt Service Funds:**City of San Diego Reporting Entity:**

Pre-Arrest Detention Facility

Public Safety Communications Project

Capital Projects Funds:**City of San Diego Reporting Entity:**

Capital Outlay

Public hearings are then conducted to obtain citizen comments on the proposed budget. During the month of July the budget is legally adopted through passage of an appropriation ordinance by the City Council.

The City budget is prepared on the modified accrual basis of accounting except that (1) encumbrances outstanding at year-end are considered as expenditures and (2) the increase/decrease in reserve for advances and deposits to other funds and agencies are considered as additions/deductions of expenditures. Budgets for entities over which the City exercises oversight responsibility (component units) are prepared on the modified accrual basis of accounting plus the recognition of encumbrances outstanding at year-end as expenditures.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

The City budget is prepared net of obligations under reverse repurchase agreement interest expense. For budgetary purposes, obligations under reverse repurchase agreement interest expense is considered a reduction of interest earnings.

Budgetary control for the City's General Fund is exercised at the salaries and wages and non-personnel expenditures level. Budgetary control for the other budgeted funds, including those of certain component units, is maintained at the total fund appropriation level. All amendments to the adopted budget require City Council approval except as delegated in the Annual Appropriation Ordinance.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause these reported budget amounts to be significantly different than the originally adopted budget amounts. Appropriations lapse at year-end to the extent that they have not been expended or encumbered.

The following is a reconciliation of the excess (deficiency) of revenues over expenditures prepared on the GAAP basis to that prepared on the budgetary basis (in thousands):

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis	(\$2,588)	\$23,793	\$32,329	\$636,979
Add (Deduct) - (Excess) Deficiency of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - GAAP Basis for Non-Budgeted Funds	0	(6,558)	(32,305)	(637,344)
Budgeted Funds:				
Deduct:				
Encumbrances Outstanding, June 30, 1999	(9,542)	(12,133)	0	(1,264)
Reserved for Advances and Deposits, June 30, 1999	(7,121)	(8,691)	0	0
Add - Designated for Unrealized Gains June 30, 1998	396	80	4	2
Add - Reserved for Advances and Deposits, June 30, 1998	<u>4,920</u>	<u>6,001</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses - Budgetary Basis	<u>(\$13,935)</u>	<u>\$2,492</u>	<u>\$28</u>	<u>(\$1,627)</u>

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)**f. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted Governmental Fund Types.

Encumbrances outstanding at year-end are reported as reservations of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

g. Investments

At July 1, 1997, the City and its blended and discretely presented component units adopted Government Accounting Standards Board ("GASB") Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which requires certain investments to be reported at fair value. At June 30, 1999, all such investments are presented at fair value.

h. Inventories

Inventories, which consist of both water in storage and operating supplies, are valued at the lower of cost or market. Such inventories are expensed when consumed.

i. Restricted Assets

Proceeds from debt issuances, funds set aside for payment of Enterprise Fund revenue bonds and San Diego Housing Authority deposits servicing low interest construction and rehabilitation loans made by various banks are classified as restricted assets since their use is limited by applicable bond indentures.

The City is required by state and federal laws and regulations to make annual contributions to finance the closure and postclosure care of its Miramar landfill. Such contributions are presented in the Enterprise Fund financial statements as restricted cash or equity in pooled cash and investments.

j. Land Held for Resale

All property purchases by the Redevelopment Agency are charged to Capital Outlay Expenditures. Land held for resale is capitalized in the Special Revenue and Capital Projects Funds on the lower of acquisition cost or estimated resale value. Fund balances and reserved amounts are equal to the carrying value of land held for resale because such assets are not available to finance the Agency's current operations.

k. Fixed Assets**General Fixed Assets:**

General fixed assets are those acquired for general governmental purposes. Assets purchased are recorded as expenditures in the Governmental Fund Types and capitalized at cost in the General Fixed Assets Account Group. Donated fixed assets are recorded in general fixed assets at estimated fair market value at the date of donation. Certain assets for which actual costs are not practically determined have been valued on the basis of a professional valuation which determined their estimated historical cost.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)

Fixed assets comprising the infrastructure of the City, including roads, bridges, pools, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such infrastructure assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship and cumulative accountability for capital expenditures is satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

Proprietary Fund Type Fixed Assets:

Fixed assets owned by the Proprietary Fund Types are stated at cost if purchased or constructed, or at estimated fair market value if received as a donation. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Structures and improvements	30-40 years
Plants, dams, canals, laterals and equipment	3-150 years

l. Interagency Current Receivables, Payables and Long-Term Debt

For reporting purposes, the City considers interagency long-term loans to be operating transfers. Accordingly, "loans receivable" are classified as "transfers out" while "loans payable" are classified as "transfers in". Interest on loans are recorded only when due. Loan amounts, including interest, are noted in the footnotes to this report. When loans are repaid, such transactions are also recorded as "transfers out" (typically from the Debt Service Fund) and "transfers in," and the loan balance is reduced in the footnotes. Interagency current receivables and payables are classified as accounts "receivable from" and "due to" other funds.

m. Long-Term Liabilities

Long-term liabilities expected to be financed in future years from Governmental Fund Types are accounted for in the General Long-Term Debt Account Group. Long-term liabilities of all Proprietary Fund Types are accounted for in their respective funds.

n. Employee Annual Leave

The City provides combined annual leave to cover both vacation and sick leave. It is the City's policy to permit employees to accumulate between 6.25 weeks and 17.5 weeks, depending on hire date, of earned but unused annual leave. Accumulation of these earnings will be paid to employees upon separation from service.

In addition, sick leave earned through August 1981 by employees hired prior to July 1, 1975 is payable upon separation under the following conditions: (1) 50% of the employee's accrued amount upon retirement or death, or (2) 25% of the employee's accrued amount upon resignation.

In Governmental Fund Types and Expendable Trust Funds, the costs for annual leave that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these amounts. In Proprietary Fund Types, annual leave benefits are recorded as a liability in the period earned.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)**o. Claims and Judgments**

In Governmental Fund Types, the costs of claims and judgments are recorded as expenditures when payments are made. The liability for anticipated future claims is recorded in the General Long-Term Debt Account Group in recognition of the City's obligation to fund such costs from future operations. In Proprietary Fund Types, the costs of claims and judgments are recorded when the liability is incurred and measurable.

p. Fund Equity

Portions of fund equity have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Designated fund balance indicates that portion of fund equity for which the City has made tentative plans.

Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods.

q. Statement of Cash Flows

All of the related City's restricted and unrestricted "Cash or Equity in Pooled Cash and Investments" and "Cash with Custodian/Fiscal Agent" are classified as cash and cash equivalents, since they are readily convertible to known amounts of cash or are so close to their maturity that they present an insignificant risk of changes in value because of fluctuations in interest rates.

r. Memorandum Only - Total Columns on Combined Statements

Amounts in the "Total - Memorandum Only" columns in the combined financial statements are presented to aggregate financial data. The total includes fund types and account groups that use different bases of accounting and the captions "Amount Available for Payment of General Long-Term Debt" and "Amount to be Provided for Retirement of Long-Term Debt" which are not assets in the usual sense. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

s. Comparative Data

Comparative total data for the prior year have been presented in the accompanying combining financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in the combined statements because their inclusion would make certain statements unduly complex and difficult to understand.

t. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the related reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

1. SUMMARY OF SIGNIFICANT POLICIES (Continued)**u. Reclassification**

Certain prior year amounts have been reclassified to conform with current year presentation.

2. CASH AND INVESTMENTS

As provided for by the Government Code, the cash balance of substantially all funds are pooled and invested by the City Treasurer for the purpose of increasing interest earnings through investment activities. The respective funds' shares of the total pooled cash and investments are included in the accompanying combined balance sheet under the caption "Cash or Equity in Pooled Cash and Investments." Interest earned on pooled investments is deposited to certain participating funds based upon each fund's average daily deposit balance during the allocation period with all remaining interest deposited to the General Fund.

"Cash With Custodian/Fiscal Agent" represents funds held by bank trustees on behalf of the City and its component units. For several component units, the purpose of these accounts is to invest cash related to certain outstanding long-term debts and to distribute principal and interest payments to debtholders. For other component units and the City, the purpose of these accounts is solely to distribute principal and interest payments to debtholders.

"Investments at Fair Value" represent investments of the City and San Diego City Employees Retirement System (SDCERS). Reporting of investments at fair value is in accordance with GASB's 25, 27, and 31 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," "Accounting for Pensions by State and Local Governmental Employers," and "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," respectively.

SDCERS has, via a securities lending authorization agreement, authorized a fiscal agent to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During the Fiscal Year, the fiscal agent lent Domestic and International Fixed Income and Equity Portfolios and received cash (United States and foreign currency), securities issued or guaranteed by the United States government, sovereign debt rated A or better, Canadian provincial debt, convertible bonds, and irrevocable letters of credit as collateral. The fiscal agent did not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 101.5% of the market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 104.5% of the market value of the loaned securities.

SDCERS did not impose any restrictions during the Fiscal Year on the amount of the loans that the fiscal agent made on its behalf and the fiscal agent indemnified SDCERS by agreeing to purchase replacement securities or return cash collateral in the event borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrowers to return loaned securities or pay distributions thereon during the Fiscal Year. Moreover, there were no losses during the Fiscal Year resulting from a default of the borrowers or the fiscal agent.

During the Fiscal Year, SDCERS and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of June 30, 1999, such investment pool had an average duration of 76 days and an average weighted maturity of 416 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 1999, SDCERS had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan for SDCERS as of June 30, 1999 were \$184,458,799 and \$179,189,126, respectively.

2. CASH AND INVESTMENTS (Continued)

Aggregate cash and investments are as follows at June 30, 1999 (in thousands):

	<u>Total</u>
Cash or equity in pooled cash and investments	\$1,671,621
Cash with custodian/fiscal agent, including restricted cash with custodian	17,920
Investments at fair value	3,182,157
Restricted pooled cash and investments	<u>19,748</u>
Total	<u>\$4,891,446</u>

Deposits

At June 30, 1999, the carrying amount of the City's cash or equity in pooled cash deposits (cash, non-negotiable certificates of deposit and money market funds) was approximately \$86,738,000 and the net balance per various financial institutions was approximately \$106,254,000 the difference of which is substantially due to deposits in transit and outstanding checks. Of the balance in financial institutions, approximately \$624,000 was covered by federal depository insurance and approximately \$101,958,000 was uninsured. Such uninsured deposits are with financial institutions which are individually legally required to have government deposits collateralized with government securities held by the pledging financial institution's trust departments in the government's name. The market value of such pledged securities must equal at least 110% of the government's deposits.

At June 30, 1999, "Cash with Custodian/Fiscal Agent" (approximately \$17,920,000) was held by the trust departments of various banks and was not covered by federal depository insurance or collateralized by securities owned by the bank.

Deposits - SDCCC

On June 30, 1999, the carrying amount of SDCCC's cash deposits was approximately \$2,639,658 and the bank balance was approximately \$2,785,930. Of the bank balance, \$100,000 was covered by federal depository insurance. The remainder was covered by collateral held by financial institutions which are individually required by state law to have governmental deposits collateralized at a rate of 110% of the deposit. The collateral is considered to be held in the name of SDCCC.

At the end of each business day, all balances over a target balance are automatically transferred and invested in a taxable money market mutual fund which invests in a portfolio of high-quality, short-term securities consistent with SDCCC's investment policy. These invested funds are not insured or guaranteed by the FDIC or the U.S. Government, are not obligations of the bank, and are not guaranteed by the bank.

Deposits - SDMSE

On June 30, 1999, the carrying amount of SDMSE's cash lock box deposits was approximately \$1,873,000 and the bank balance was \$1,873,000. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining balance was uninsured.

Investments

In accordance with the charter of the City of San Diego and under authority granted by the City Council, the City Treasurer is responsible for investing the unexpended cash in the City treasury. This investment policy applies to all of the investment activities of the City, except for the Pension Trust Funds (for which policies are noted below), the proceeds of certain debt issues which are managed and invested by trustees appointed under indenture agreements and the assets of trust funds which are placed in the custody of the Funds Commission by Council ordinance. All financial assets of all other funds are administered in accordance with the provisions noted here.

2. CASH AND INVESTMENTS (Continued)

The City may transact business only with banks, savings and loans, and investment securities dealers who are primary dealers regularly reporting to the New York Federal Reserve Bank. Exceptions to this rule can be made only upon written authorization of the City Treasurer. Authorized cash deposits and investments are governed by state law, as well as by the City's own written investment policy. Within the context of these limitations, permissible investments include (1) obligations of the U.S. government and federal agencies, (2) commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, (3) bankers' acceptances, (4) negotiable and/or non-negotiable certificates of deposit and non-negotiable time deposits issued by a nationally or state chartered bank or a state or federal savings and loan association, (5) repurchase and reverse repurchase agreements, (6) the local agency investment fund established by the state treasurer, (7) financial futures contracts in any of the other authorized investments which are used to offset an existing financial position and not for outright speculation, (8) mortgage securities purchased under an agreement to resell, (9) medium-term corporate notes of a maximum of five years maturity issued by corporations operating within the United States and (10) shares of beneficial interest issued by diversified management companies, as defined in Section 23701m of the Revenue and Taxation Code.

All non-negotiable time certificates of deposit are to be fully collateralized with mortgages or eligible securities in accordance with state law.

The California Government Code authorizes local government agencies to invest with the California State Treasurer investment pool. The City's investment in the State Treasurer's pool at June 30, 1999 is approximately \$29,296,000. A certain portion of the State Treasurer's pool is invested in derivatives. Information necessary to determine the City's exposure in such financial products are not available at year end.

The City, through its Investment Policy, has identified the safety of principal as the foremost objective of the City. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default, or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit Risk shall be mitigated by investing in only very safe securities and by diversifying the investment portfolio so that failure of any one issuer would not unduly harm the City's cash flow.

Market Risk shall be mitigated by limiting the average maturity of the City's portfolio to three years and the maximum maturity of any one security in the portfolio to five years, and by structuring the portfolio with an adequate mix of highly liquid securities and maturities to meet major cash outflow requirements. Trading is prohibited when cash or securities are not available to pay for the securities being purchased. The taking of short positions, that is, selling securities which the City does not own, is also prohibited. It is explicitly recognized herein, however, that in a diversified portfolio, occasional measured losses are inevitable, and must be considered within the context of the overall investment return.

The following investments below are additionally restricted as to percentage of the cost value of the portfolio in any one issuer name up to a maximum of 5%. The total cost value invested in any one issuer name will not exceed 5% of an issuer's net worth. An additional 5%, or a total of 10%, of the cost value of the portfolio in any one issuer name can be authorized upon written approval of the City Treasurer.

- Bankers Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Reverse Repurchase Agreements
- Local Agency Investment Fund

2. CASH AND INVESTMENTS (Continued)

Ineligible Investments not described in the City's Investment Policy, including, but not limited to, common stocks and long-term corporate notes/bonds are prohibited from use in the portfolio. A copy of the City's Investment Policy may be obtained from the City Treasurer's office.

Investments for the Pension Trust Fund are authorized to be made by the Board of Administration of the City Employees' Retirement System in accordance with the charter of the City. The Board is authorized to invest in any bonds or securities which are allowed by general law for savings banks. The Board has further restricted the authorized investments to those believed by independent investment counsel to be appropriate for investment by trust funds operating under the "prudent man" rule as set forth in state law.

These investments include, but are not limited to, bonds, notes or other obligations, real estate investments, common stocks, preferred stocks and pooled vehicles. Investments can also be made in financial futures contracts in any of the other authorized investments which are used to offset an existing financial position and not for outright speculation.

Investment policies permit the Pension Trust Fund to invest in financial futures contracts. Financial futures contracts, which are recorded at market value, are not hedges of existing assets, and changes in the market value of the contract result in recognition of a gain or loss.

A copy of the Pension Trust Fund's investment policy may be obtained from the Retirement office.

Reverse Repurchase Agreements

Investment policies permit the City to enter into reverse repurchase agreements which is a sale of securities with a simultaneous agreement to repurchase them in the future at the same price plus a contract rate of interest. The market value of the securities underlying reverse repurchase agreements normally exceeds the cash received providing the dealers a margin against a decline in the market value of the securities. If the dealers default on their obligations to resell these securities to the City or provide securities of cash or equal value, the City could suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities and the reverse repurchase agreement obligation, including accrued interest payable. In Fiscal Year 1999, however, the City did not enter into any reverse repurchase agreements. As such, there was no such credit exposure at year-end.

The City's investments at June 30, 1999, that can be specifically identified as to credit risk are categorized as described below including required disclosures for securities lending (in thousands):

- Category 1: Insured or registered, with securities held by the City or its agent in the City's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the City's name.

2. CASH AND INVESTMENTS (Continued)

Investments that are not subject to credit risk categorization, but that require fair value disclosure are also presented below (in thousands):

	Category			Fair Value
	1	2	3	
U.S. government and agency securities	\$ 300,765	\$232,006	\$0	\$ 532,771
Negotiable certificates of deposit	362,826	0	0	362,826
Commercial paper	949,077	0	0	949,077
Equity securities (stocks):				
- Not on securities loan	1,181,454	0	0	1,181,454
- On securities loan for securities collateral	349	0	0	349
Corporate bonds/notes	129,713	0	0	129,713
Fixed income (bonds)	771,156	0	0	771,156
Mortgage notes	3,009	0	0	3,009
Repurchase agreements	18,500	0	0	18,500
	<u>\$3,716,849</u>	<u>\$232,006</u>	<u>\$0</u>	<u>\$3,948,855</u>
Investments not subject to categorization:				
U.S. government securities on securities loan for cash collateral				17,589
Fixed income (bonds) on securities loan for cash collateral				16,364
Equity securities (stocks) on securities loan for cash collateral				150,542
Investment with California Local Agency Investment Fund				29,296
Mutual funds				421,404
Real estate/mineral interest funds				197,756
Other				4,982
Total investments				<u>\$4,786,788</u>

2. CASH AND INVESTMENTS (Continued)

Included in the preceding table are investments under the Pension Trust Fund - City Employees Retirement System (SDCERS) with required disclosures for securities lending (in thousands). Following below are those investments specifically attributable to SDCERS:

	Category			Fair Value
	1	2	3	
U.S. government and agency securities	\$ 31,939	\$0	\$0	\$ 31,939
Equity securities (stocks):				
- Not on securities loan	1,181,454	0	0	1,181,454
- On securities loan for securities collateral	349	0	0	349
Fixed income (bonds)	771,156	0	0	771,156
Mortgage notes	<u>3,009</u>	<u>0</u>	<u>0</u>	<u>3,009</u>
	<u>\$1,987,907</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,987,907</u>
Investments not subject to categorization:				
U.S. government and agency securities on securities loan for cash collateral				10,858
Fixed income (bonds) on securities loan for cash collateral				16,364
Equity securities (stocks) on securities loan for cash collateral				150,542
Real estate/mineral interest funds				<u>197,756</u>
Total investments				<u>\$2,363,427</u>

Summary of Deposits and Investments

Following is a summary of the carrying amount of cash deposits and investments at June 30, 1999 (in thousands):

Cash and pooled cash deposits	\$86,738
Cash with custodian/fiscal agent	17,920
Investments	<u>4,786,788</u>
Total	<u>\$4,891,446</u>

3. FIXED ASSETSGeneral Fixed Assets

A summary of changes in general fixed assets for the year ended June 30, 1999 is as follows (in thousands):

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Adjustments and Transfers</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Land	\$ 379,231	\$55,012	\$ 1	\$2,095	\$432,149
Structures and Improvements	459,917	8,926	80,038	3,619	545,262
Equipment	<u>177,319</u>	<u>19,897</u>	<u>2,885</u>	<u>30,397</u>	<u>169,704</u>
Subtotal	1,016,467	83,835	82,924	36,111	1,147,115
Construction in Progress	<u>321,457</u>	<u>62,285</u>	<u>(88,185)</u>	<u>39,725</u>	<u>255,832</u>
Total	<u>\$1,337,924</u>	<u>\$146,120</u>	<u>(\$5,261)</u>	<u>\$75,836</u>	<u>\$1,402,947</u>

The following is a summary of general fixed assets for SDCCC at June 30, 1999 (in thousands):

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1999</u>
Furniture, Fixtures and Equipment	\$3,797	\$ 907	\$0	\$4,704
Leasehold Improvements	<u>4,108</u>	<u>3,221</u>	<u>0</u>	<u>7,329</u>
Total	<u>\$7,905</u>	<u>\$4,128</u>	<u>\$0</u>	<u>\$12,033</u>

Proprietary Fund Type Fixed Assets

A summary of Proprietary Fund Type Fixed Assets at June 30, 1999 is as follows (in thousands):

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>
Land and Building	\$42,980	\$ 0
Property, Plant and Equipment	1,305,198	99,794
Other	877,568	0
Construction in progress	<u>1,188,843</u>	<u>1,189</u>
Total	3,414,589	100,983
Less - Accumulated depreciation	<u>(470,434)</u>	<u>(50,737)</u>
Total, net	<u>\$2,944,155</u>	<u>\$ 50,246</u>

3. FIXED ASSETS (Continued)Construction In Progress

A summary of construction in progress (CIP) at June 30, 1999 is as follows (in thousands):

General Fixed Asset Account Group:	
City	\$ 183,883
Housing Authority	<u>71,949</u>
Total General Fixed Assets Account Group	<u>255,832</u>
Enterprise Funds:	
Airports	5,469
Environmental Services	60,839
Golf Course	5,422
Sewer Utility	878,791
Water Utility	<u>238,323</u>
Total Enterprise Funds	<u>1,188,844</u>
Total Construction in Progress	<u>\$1,444,676</u>

The Sewer Utility Fund and Water Utility Fund CIP of \$878,790,802 and \$238,322,720 respectively, represent 77.3% of total CIP for the year ended June 30, 1999.

The Sewer Utility's construction plans for various projects were estimated to cost approximately \$193,401,000. As of June 30, 1999, the Sewer Utility's contractual commitments for the projects totaled approximately \$130,122,000.

The Water Utility's construction plans for various projects were estimated to cost approximately \$31,383,000. As of June 30, 1999, the Water Utility's contractual commitments for the projects totaled approximately \$24,898,000.

4. GENERAL LONG-TERM DEBT

General long-term debt consists of general obligation bonds, revenue bonds, certificates of participation ("COP"), special assessment bonds, Mello-Roos bonds, tax allocation bonds, contracts payable, notes payable, capital lease obligations, liability claims (also see Note 17 and Note 18 for more information on contingencies and third party debt) and accrued annual leave. A summary of these obligations as recorded in the General Long-Term Debt Account Group as of June 30, 1999 is as follows (in thousands):

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 1999</u>
<u>General Obligation Bonds:</u>				
Open Space Park Refunding Bonds, Series 1994	5.0-6.0%	2009	\$ 64,260	\$ 54,055
Municipal Improvement Bonds, Series 1991	5.0-8.0	2012	25,500	<u>20,200</u>
Total General Obligation Bonds				<u>74,255</u>
<u>Revenue Bonds/COPs:</u>				
Public Facilities Financing Authority Sewer Revenue Bonds, Series A & B 1997	3.7-5.61	2027	250,000	242,045
Public Facilities Financing Authority Stadium Lease Revenue Bonds, Series 1996 A	3.7-5.1	2027	68,425	67,635
Public Facilities Financing Authority Sewer Revenue Bonds, Series 1995	3.9-6.0	2025	350,000	337,480
Public Facilities Financing Authority Sewer Revenue Bonds, Series 1993	2.8-5.25	2023	250,000	223,805
Metropolitan Transit Development Board Authority Lease Revenue Refunding Bonds, Series 1994	4.25-5.625	2009	66,570	50,120
Metropolitan Transit Development Board Authority Lease Revenue Bonds, Series 1993	2.6-5.375	2023	19,515	17,225
San Diego Facilities Equipment Leasing Corp. Certificates of Participation Refunding, Series 1996B	4.0-5.7	2011	11,720	11,240
San Diego Facilities Equipment Leasing Corp. Certificates of Participation, Series 1996A	4.0-5.6	2010	33,430	30,465
San Diego Facilities Equipment Leasing Corp. Certificates of Participation, Series 1993	3.9-5.6	2023	27,985	23,355
Certificates of Participation, Series 1991	8.0	2002	8,500	3,700
Public Facilities Financing Authority Sewer Revenue Bonds, Series A & B 1999	3.50-5.0	2029	315,410	315,410
San Diego Facilities & Equipment Leasing Corp. Certificates of Undivided Interests, Series 1998	4.0-4.75	2029	385,000	385,000
Convention Center Expansion Authority Lease Revenue Bonds, Series 1998A	3.8-4.875	2018	205,000	<u>205,000</u>
Total Revenue Bonds/COPs				<u>\$1,912,480</u>

4. GENERAL LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 1999</u>
<u>Special Assessment/Mello-Roos Bonds:</u>				
1915 Act Via De La Valle Improvement Bonds, issued October 1986	6.0-6.8%	2003	\$ 2,115	\$ 465
1915 Act Lopez Canyon Sewer & Retention Basin 1987 Reassessment & Refunding Bonds, issued April 1987	6.5-7.9	2000	1,750	85
1915 Act De La Fuente Business Park Phase I Improvement Bonds, issued April 1989	7.0-7.7	2014	4,897	3,680
1915 Act International Business Center Project Improvement Bonds, issued September 1990	6.1-7.4	2016	4,172	3,025
1915 Act Otay Mesa Industrial Park Improvement Bonds, issued May 1992	5.5-7.95	2013	2,235	755
1915 Act De La Fuente Business Park Phase II Improvement Bonds, issued July 1992	4.0-7.1	2018	5,987	5,215
Special Tax Bonds, 1998 Series Miramar Ranch North, issued July 1998	4.7-5.85	2020	59,465	59,465
Public Facilities Financing Authority Refunding, 1999A	2.75-4.75	2017	30,515	30,515
Public Facilities Financing Authority Refunding, 1999B	3.5-5.1	2017	7,630	<u>7,630</u>
Total Special Assessment/Mello-Roos Bonds				<u>\$110,835</u>

4. GENERAL LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 1999</u>
<u>Tax Allocation Bonds:</u>				
Centre City Redevelopment Project Tax Allocation Refunding Bonds Series 1992, issued October 1992	3.0-6.0%	2008	\$ 36,935	\$ 26,255
Centre City Redevelopment Project Tax Allocation Bonds, Series 1993A & B, issued November 1993	4.875-6.5	2018	54,350	40,870
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995, issued June 1995	7.8-9.75	2013	1,400	1,175
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995A & B, issued June 1995	4.4-8.2	2020	5,155	4,925
Southcrest Redevelopment Project Tax Allocation Bonds, Series 1995, issued June 1995	4.75-6.5	2011	3,750	3,085
Horton Plaza Tax Allocation Refunding Bonds Series 1996 A & B	3.8-7.0	2017	22,800	21,425
Centre City Redevelopment Tax Allocation Bonds, Series 1999 A, B, C, Issued March 1999	3.0-6.25	2024	50,650	50,650
City Heights Redevelopment Tax Allocation Bonds, Series 1999 A & B, Issued April 1999	4.5-6.4	2028	15,830	<u>15,830</u>
Total Tax Allocation Bonds				<u>164,215</u>
Total Bonds Payable				<u>2,261,785</u>
<u>Contracts Payable:</u>				
Contract Payable to City of National City, dated March 1987	7.5	2002	2,171	624
Contract Payable to County of San Diego, dated June 1987	11.0	2013	423	<u>93</u>
Total Contracts Payable				<u>717</u>
<u>Notes Payable:</u>				
Notes payable to HUD, various dates	Various	Various	48,351	51,029
Note payable to HCD, dated July 1981	0.0	2013	1,405	1,405
Note payable to HCD, dated April 1983	0.0	2015	3,149	3,149
Mortgage note payable to Bank of America, dated February 1985	10.2	2025	3,656	3,445
Notes payable to San Diego Association of Governments, various dates	Various	Various	45,797	30,041

4. GENERAL LONG-TERM DEBT (Continued)

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 1999</u>
<u>Notes Payable: (continued)</u>				
Notes payable to the Redevelopment Agency, various dates	0.0	2022	209	\$ 696
Note payable to Lorren Daro, dated March 1995	8.0	2005	257	174
Note payable to David Engel, dated December 1994	6.0	2004	4,800	4,800
Note payable to Home Savings, dated June 1995	---	---	4,725	<u>4,491</u>
Total Notes Payable				<u>99,230</u>
Capital Lease Obligations				17,551
Pension Obligations				7,550
Liability Claims				31,605
Accrued Annual Leave				<u>45,013</u>
Total General Long-Term Debt				<u>\$2,463,451</u>

The following is a summary of changes in general long-term debt for the year ended June 30, 1999 (in thousands):

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1999</u>
General Obligation Bonds	\$ 78,600	\$ 0	\$ 4,345	\$ 74,255
Revenue Bonds/COPs	1,032,560	905,410	25,490	1,912,480
Special Assessment/Mello-Roos Bonds	113,105	97,610	99,880	110,835
Tax Allocation Bonds	109,445	66,480	11,710	164,215
Contracts Payable	1,013	0	296	717
Notes Payable	107,351	0	8,121	99,230
Capital Lease Obligations	17,571	0	20	17,551
Pension Obligations	5,128	2,422	0	7,550
Liability Claims	31,541	64	0	31,605
Accrued Annual Leave	<u>44,052</u>	<u>961</u>	<u>0</u>	<u>45,013</u>
Total	<u>\$1,540,366</u>	<u>\$1,072,947</u>	<u>\$149,862</u>	<u>\$2,463,451</u>

4. GENERAL LONG-TERM DEBT (Continued)

The following is a summary of changes in general long-term debt for SDCCC at June 30, 1999 (in thousands):

	Balance July 1, 1998	Additions	Retirements	Balance June 30, 1999
Accrued Annual Leave	<u>\$529</u>	<u>\$868</u>	<u>\$848</u>	<u>\$549</u>
Total Long-Term Debt	<u>\$529</u>	<u>\$868</u>	<u>\$848</u>	<u>\$549</u>

General obligation bonds are secured by a pledge of the full faith and credit of the City or by a pledge of the City to levy ad valorem property taxes without limitation.

Revenue bonds are secured by a pledge of specific revenue generally derived from fees or service charges related to the operation of the project being financed.

COPs provide long-term financing through a lease agreement, installment sales agreement, or loan agreement that does not constitute indebtedness under the state constitutional debt limitation and is not subject to other statutory requirements applicable to bonds.

Special assessment and Mello-Roos bonds are issued by the City to provide funds to make certain public improvements in special assessment and Mello-Roos districts created by the City. These bonds are secured by property owner assessments.

The annual requirements to amortize such long-term debt outstanding as of June 30, 1999, including interest payments to maturity, are as follows (in thousands):

Year Ending June 30,	General Obligation Bonds	Revenue Bonds/ COPs	Special Assessment/ Mello-Roos Bonds	Tax Allocation Bonds	Contracts Payable	Notes Payable	Capital Lease Obligations
2000	\$ 9,894	\$ 126,434	\$ 8,051	\$13,545	\$ 252	\$ 3,269	\$ 5,231
2001	9,149	128,118	9,971	13,539	252	3,275	4,415
2002	9,268	139,669	9,983	13,518	252	3,281	3,847
2003	9,395	137,660	10,003	13,511	13	3,287	3,016
2004	9,525	137,713	9,867	13,620	13	3,154	1,710
Thereafter	<u>55,682</u>	<u>2,911,347</u>	<u>134,003</u>	<u>221,489</u>	<u>126</u>	<u>90,493</u>	<u>1,689</u>
Subtotal	102,913	3,580,941	181,878	289,222	908	106,759	19,908
Less Interest	<u>(28,658)</u>	<u>(1,668,461)</u>	<u>(71,043)</u>	<u>(125,007)</u>	<u>(191)</u>	<u>(7,529)</u>	<u>(2,357)</u>
Total	<u>\$74,255</u>	<u>\$1,912,480</u>	<u>\$110,835</u>	<u>\$164,215</u>	<u>\$ 717</u>	<u>\$99,230</u>	<u>\$17,551</u>

4. GENERAL LONG-TERM DEBT (Continued)**Installment Purchase Agreement**

The City and the Public Facilities Financing Authority ("PFFA") entered into an installment purchase agreement for the acquisition, construction, installation, and improvement of its wastewater system. PFFA obtained financing for the project through issuance of bonds secured by installment payments to be made by the City. The City has pledged revenues from its wastewater system to finance these installment payments in an amount equal to the principal and interest requirements for the associated bonds.

Defeasance of Debt

In July 1998, the Community Facilities District #1 issued \$59,465,000 in Special Tax Refunding Bonds, Series 1998. The proceeds of the bonds were used to refund the remaining outstanding Community Facilities District #1 Special Tax Bonds, 1991 Series A and 1995 Series B. The Refunded Bonds are considered defeased and the corresponding liability has been removed from the General Long-Term Debt Account Group. The refunding transaction resulted in total economic gain or present value savings of approximately \$7,130,000 over the refunded indebtedness. In addition, the refunding resulted in a cash flow difference of approximately \$13,492,000.

At June 30, 1999, \$62,805,000 of defeased bonds including those defeased in prior years are still outstanding.

5. PROPRIETARY FUND TYPE LONG-TERM DEBT

Proprietary Fund Type long-term debt as of June 30, 1999 is comprised of the following (in thousands):

<u>Type of Obligation</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Balance Outstanding June 30, 1999</u>
<u>Notes Payable:</u>				
Installment Purchase Agreement, 1993	2.8-5.25%	2023	\$250,000	\$ 223,805
Installment Purchase Agreement, 1995	3.9-5.0	2025	350,000	337,480
Installment Purchase Agreement, 1997	3.7-5.61	2027	250,000	242,045
Installment Purchase Agreement, 1999	3.9-5.0	2029	315,410	315,410
Total Notes Payable				<u>1,118,740</u>
Loan Payable to County of San Diego	0	N/A	100	100
Capital Lease Obligations for Various Equipment, Various Dates	Various	Various	Various	18,656
Liability Claims				43,153
Accrued Annual Leave				12,151
Pension Liability				<u>2,416</u>
Total Proprietary Fund Type Debt				<u>\$1,195,216</u>

5. PROPRIETARY FUND TYPE LONG-TERM DEBT (Continued)

Annual requirements to amortize such long-term debt as of June 30, 1999, including interest payments to maturity, are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Notes Payable</u>	<u>Capital Lease Obligations</u>
2000	\$ 77,055	\$ 4,270
2001	77,055	4,254
2002	77,054	3,872
2003	77,046	4,086
2004	77,050	2,806
Thereafter	<u>1,700,727</u>	<u>1,553</u>
Total	2,085,987	20,841
Less-Amounts Representing Interest	<u>(967,247)</u>	<u>(2,185)</u>
Total	<u>\$1,118,740</u>	<u>\$18,656</u>

6. INTERAGENCY LONG-TERM DEBT

Long-term debt between the City and its component units has been eliminated in this report. During the year, the Redevelopment Agency of the City of San Diego has repaid \$8,698,926 of principal and \$7,449,803 of interest to the City and the City has advanced \$1,282,407 to the Agency. Interest of 8% totaling \$13,123,292 was accrued to the amounts owed for the year. At June 30, 1999, interagency loans (including interest) were as follows (in thousands):

	<u>Loans and Note Receivable</u>	<u>Loans and Note Payable</u>
City of San Diego	\$236,431	\$ 0
Redevelopment Agency of the City of San Diego	<u>0</u>	<u>236,431</u>
Total	<u>\$236,431</u>	<u>\$236,431</u>

7. LEASE COMMITMENTSOperating Leases

The following is a schedule of future minimum rental payments required under operating leases entered into by the City for property that has initial or remaining non-cancelable lease terms in excess of one year as of June 30, 1999 (in thousands):

<u>Year Ending June 30,</u>	
2000	\$ 9,219
2001	8,936
2002	8,875
2003	5,699
2004	1,647
Thereafter	<u>766</u>
Total	<u>\$35,142</u>

Rent expense as related to operating leases was approximately \$9,315,523 for the year ended June 30, 1999.

7. LEASE COMMITMENTS (Continued)Capital Leases

The City has entered into various capital leases for equipment, vehicles and property. A schedule of future minimum lease payments under capital leases as of June 30, 1999 is provided in Notes 4 and 5.

Lease Revenues

The City has operating leases for certain land, buildings and facilities with tenants and concessionaires who will provide the following minimum annual lease payments (in thousands):

<u>Year Ending June 30,</u>	
2000	\$ 20,476
2001	19,938
2002	19,660
2003	19,500
2004	18,867
Thereafter	<u>588,211</u>
Total	<u>\$686,652</u>

This amount does not include contingent rentals which may be received under certain leases of property on the basis of percentage returns. Contingent rentals amounted to approximately \$32,726,563 in the year ended June 30, 1999.

8. DEFERRED COMPENSATION PLANCITY OF SAN DIEGO

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability or an unforeseeable emergency. All assets and income of the deferred compensation plan are held in trust for the exclusive benefit of plan participants and their beneficiaries.

Fair value of the plan assets was \$120,949,928 at June 30, 1999.

SAN DIEGO HOUSING AUTHORITY

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability or an unforeseeable emergency.

On July 1, 1998, the Authority implemented GASB Statement No. 32 "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans." The deferred compensation plan, previously reported as an agency fund, was removed from the accompanying financial statements. Fair value of the plan assets was \$3,909,593 at June 30, 1999.

9. PENSION PLANS

The City has a defined benefit plan and various defined contribution pension plans covering substantially all of its employees.

9. PENSION PLANS (Continued)**DEFINED BENEFIT PLAN****a. Plan Description**

All of the City and the San Diego Unified Port District (the "District") full-time employees participate in the San Diego City Employees' Retirement System ("SDCERS").

SDCERS is a public employee retirement system established in 1927 by the City and administered by a Board of Administration (the "Board") to provide retirement, disability, death and survivor benefits for its members.

In 1963, through an agreement between the City and the District, employees of the District became members of SDCERS.

The Plan is a defined benefit plan which covers all eligible employees of the City and the District. The Plan is a multiple-employer public employee retirement system that acts as a common investment and administrative agent for the City and the District. As a defined benefit plan, retirement benefits are determined primarily by a member's age at retirement, the length of membership service and the member's final compensation earnable based on the highest one-year period.

The Plan provisions applicable to general members are generally applicable to the District's general members and those applicable to lifeguard members are generally applicable to the District's safety members.

All full-time City and District employees are eligible to participate in the Plan. Salaried classified employees become members of the system upon employment. Salaried unclassified employees hired on or after August 11, 1995 become members upon employment.

SDCERS is considered part of the City of San Diego's financial reporting entity and is included in the City's financial reports as a pension trust fund.

SDCERS issues a stand-alone financial report which is available at its office located at 401 B Street, Suite 400, San Diego, California 92101.

b. Funding Policy

SDCERS' funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The normal cost and actuarial accrued liability are determined using the projected unit credit actuarial funding method. Unfunded actuarial accrued liabilities are being amortized as a level percent of payroll over a period of 30 years (22 years remaining).

Employees are required to contribute a percentage of their annual salary to the Plan. Contributions vary according to age at entry into the plan and salary. The City and the District contribute a portion of the employees' share and the remaining amount necessary to fund the system based on an actuarial valuation at the end of the preceding year under the projected unit credit method of actuarial valuation. Prior to June 30, 1993, contributions were based on the entry age normal cost method of valuation.

During the period July 1, 1998 to June 30, 1999 contributions totaling \$66,454,000 (\$36,373,000 employer and \$30,081,000 employee) were made. Of the employer contributions, \$29,098,000 was applied to normal cost and \$7,275,000 was applied to unfunded accrued liability. All of the employer offset contributions were applied to normal cost.

9. PENSION PLANS (Continued)

In 1996 the City Council approved proposed changes to the San Diego City Employees' Retirement System (SDCERS) which included changes to retiree health insurance, plan benefits, employer contribution rates and system reserves. The proposal included a provision to assure the funding level of the system would not drop below a level the Board's actuary deems reasonable in order to protect the financial integrity of the SDCERS. A citizen required vote on the changes related to retiree health insurance passed overwhelmingly in 1996. In 1997, the active members of the SDCERS voted and approved the changes. Portions of the proposal requiring SDCERS Board approval (employer rates and reserves) were approved after review and approval by its independent fiduciary counsel and consultation with the actuary. The San Diego Municipal Code was then amended to reflect the changes.

The changes provide the employer contribution rates be "ramped up" to the actuarially recommended rate in .50 percent increments over a ten year period at such time it was projected that the Projected Unit Credit (PUC) and Entry Age Normal (EAN) rates would be equal and the SDCERS would convert to EAN. The actuary calculated the present value of the difference between the employer contribution rate and actuarial rates over the ten year period and this amount was funded in a reserve. This "Corridor" funding method is unique to the SDCERS and therefore is not one of the six funding methods formally sanctioned by the Governmental Accounting Standards Board for expending purposes. As a result for June 30, 1999, the actuary rates are reported to be \$15,125,000 more than paid by the City which, technically per GASB 27 effective for periods beginning after June 15, 1997, is to be reported as a Net Pension Obligation (NPO) even though the shortfall is funded in a reserve. The actuary believes the Corridor funding method is an excellent method for the City and that it will be superior to the PUC funding method. The actuary is in the process of requesting the GASB to adopt the Corridor funding method as an approved expending method which would then eliminate any reported NPO.

c. Annual Required Contribution

The annual required contribution for the current year was determined as part of the June 30, 1996 actuarial valuation using the projected unit credit actuarial funding method. The actuarial assumptions included (a) an 8.0% investment rate of return and (b) projected salary increases of 5% per year. Both (a) and (b) included an inflation rate of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 1999 was 22 years.

d. Three-Year Trend Analysis

The following table shows the City and the District's required contributions and the percentage contributed for the most current year available and preceding years (in thousands):

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/96	\$26,122	100.0%	\$ -
6/30/97	34,036	82.4	5,975
6/30/98	40,693	75.4	16,000

9. PENSION PLANS (Continued)**DEFINED CONTRIBUTION PLANS**

- a. Pursuant to the City's withdrawal from the Federal Social Security System effective January 8, 1982, and to the Federal Government's mandate of a Social Security Medicare tax for all employees not covered by Social Security hired on or after April 1, 1986, the City established the Supplemental Pension Savings Plan ("SPSP"), a defined contribution plan administered by American Express Trust Company, Minneapolis, MN, which provides pension benefits for eligible full-time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. State legislation requires that both the employee and the City contribute an amount equal to 3% of the employee's total salary each month. Participants in the plan hired before April 1, 1986 and on or after April 1, 1986 may voluntarily contribute up to an additional 4.5% and 3.05%, respectively, of total salary.

The City also contributes an amount equal to the employee voluntary contributions. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the City's contribution requirement.

The City and the covered employees contributed approximately \$35,571,000. As of June 30, 1999, fair value of Plan assets totaled approximately \$361,768,000. SPSP is considered part of the City of San Diego's financial reporting entity and is included in the City's financial reports as a Pension Trust Fund.

In addition, the City established a 401(k) Plan effective July 1, 1985. The plan is a defined contribution plan administered by American Express Trust Company, Minneapolis, MN, to provide pension benefits for all eligible full-time employees. Employees are eligible to participate twelve months after the date of employment. Employees make contributions to their 401(k) accounts through payroll deductions, and may also elect to have the City contribute to their 401(k) accounts through the City's Employees' Flexible Benefits Program.

The employees' 401(k) contributions were calculated pursuant to various combination arrangements. The covered employees and the City contributed approximately \$11,438,000 during the fiscal year.

As of June 30, 1999, fair value of Plan assets totaled approximately \$79,454,000. The 401(k) Plan is considered part of the City of San Diego's financial reporting entity and is included in the City's financial reports as an Agency Fund.

- b. Centre City Development Corporation ("CCDC") has a Money Purchase Pension Plan covering all full-time permanent employees. The plan is a defined contribution plan under which benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate on the first day of the month following 90 days after their date of employment. During each plan year, CCDC contributes quarterly an amount equal to 8% of the total quarterly compensation for all employees. CCDC's contributions for each employee are fully vested after six years of continuous service.

CCDC's total payroll in Fiscal Year 1999 was approximately \$1,877,000. CCDC contributions were calculated using the base salary amount of approximately \$1,701,000. CCDC made the required 8% contribution, amounting to approximately \$136,000 (net of forfeitures) for Fiscal Year 1999.

In addition, CCDC has a Tax Deferred Annuity Plan covering current and previous full-time permanent employees. The plan is a defined contribution plan. Employees are eligible to participate the first day of the month following 90 days after their date of employment. During each plan year, CCDC contributes semi-monthly an amount equal to 10% of the total semi-monthly compensation for all employees. CCDC's contributions for each employee are fully vested at time of contribution.

9. PENSION PLANS (Continued)

CCDC's total payroll in Fiscal Year 1999 was approximately \$1,877,000. CCDC contributions were calculated using the base salary amount of approximately \$1,701,000. CCDC made the required 10% contribution amounting to approximately \$170,000 for Fiscal Year 1999. The Tax Deferred Annuity Plan includes amounts deposited by employees prior to CCDC becoming a contributor to the Plan.

The fiduciary responsibilities of CCDC consist of making contributions and remitting deposits collected.

- c. The San Diego Convention Center Corporation Money Purchase Pension Plan (the "Plan") became effective January 1, 1986. The Plan is a qualified defined contribution plan and, as such, benefits depend on amounts contributed to the plan plus investment earnings and allocated forfeitures, less allowable plan expenses. The Plan covers employees not otherwise covered through a collective bargaining unit agreement. Employees are eligible at the earlier of the date on which they complete six months of continuous full-time service, or the twelve-month period beginning on their hire date (or any subsequent plan year) during which they complete 1,000 hours of service. A plan year is defined as a calendar year. Plan balances for each eligible employee are vested gradually over five years of continuing service with an eligible employee becoming fully vested after five years. Forfeitures and Plan expenses are allocated in accordance with Plan provisions.

Required contributions were calculated using the covered compensation amount of approximately \$7,463,000. SDCCC has funded the required contribution as of June 30, 1999.

For the fiscal year ended June 30, 1999, pension expense for the Plan amounted to \$744,691. SDCCC records pension expense during the fiscal year based upon estimated covered compensation. Included in accrued liabilities at June 30, 1999, is \$16,459 of accrued pension expense.

SDCCC offers its employees a Deferred Compensation Plan (the "Deferred Plan") created in accordance with Internal Revenue Code Section 457. The Deferred Plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, disability, or an unforeseeable emergency.

SDCCC funds the deferred compensation through investments in various mutual funds administered by an insurance company. Until paid or made available to the employee or other beneficiary, such investments and all related earnings thereon are solely the property and right of SDCCC (without being restricted to the provisions of benefits under the Deferred Plan), subject only to the claims of SDCCC's general creditors. Participants under the Deferred Plan have only the right to receive benefits in an amount equal to the balance of their account. SDCCC is of the opinion that it has no liability for the losses under the Deferred Plan but does have the duty of due care that would be required of an ordinary prudent investor. SDCCC believes that it is unlikely that it will use the Deferred Plan's assets to satisfy claims of creditors in the future.

- d. San Diego Data Processing Corporation ("SDDPC") has accrued and set aside funds in a money market account to provide employees who transferred from the City to SDDPC with retirement benefits approximately equal to those under the City's retirement plan. As of June 30, 1999 and 1998, the balance in the account was \$109,888 and \$104,978, respectively.

The balance at June 30, 1999 consisted of the total estimated liability plus interest earned on the account since its establishment in Fiscal Year 1991.

In addition, SDDPC has in effect a Money Purchase Pension Plan ("the Plan") covering substantially all employees. The plan is a defined contribution plan, wherein benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date

9. PENSION PLANS (Continued)

of employment. During each plan year, SDDPC contributes monthly an amount equal to 20% of the total monthly compensation for all employees. SDDPC contributions for each employee are fully vested after four years of continuous service.

SDDPC's total payroll in Fiscal Year 1999 and 1998, was approximately \$19,587,000 and \$17,531,000, respectively. As all employees are substantially covered, SDDPC contributions were calculated using this base salary amount. SDDPC made the required 20% contribution amounting to approximately \$3,876,000 and \$3,435,000 for Fiscal Years 1999 and 1998 respectively.

- e. The San Diego Housing Authority (the "Authority") provides pension benefits for all of its full-time employees through a defined contribution plan. Employees are eligible to participate on the first day of their employment. The Authority contributes an amount equal to 14% of the employee's base salary semi-monthly. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. The Authority's contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Authority's contribution requirement.

The Authority made the required 14% contribution, amounting to approximately \$1,294,000 for Fiscal Year 1999 based on covered payroll of approximately \$9,240,000.

- f. Southeastern Economic Development Corporation ("SEDC") has a Simplified Employee Pension Plan covering all full-time, permanent employees. The plan is a defined contribution plan. Employees are eligible to participate on the first day of the month following 90 days after their date of employment. During each plan year, SEDC contributes monthly an amount equal to 12% of the employee's base salary. Such contributions are fully vested upon contributions.

SEDC's total payroll in Fiscal Year 1999 was approximately \$737,000. SEDC contributions were calculated using the base salary amount of approximately \$643,000. SEDC made the required 12% contribution, amounting to approximately \$86,000 for Fiscal Year 1999.

10. POST RETIREMENT HEALTH INSURANCE

In addition to providing pension benefits, the City of San Diego Municipal Code provides certain health care insurance benefits for retired general and safety members of SDCERS who retired on or after October 6, 1980. At June 30, 1999, approximately 2,905 eligible retirees received benefits.

Certain health care insurance benefits were established during Fiscal Year 1995 for eligible retirees who retired prior to October 6, 1980 or who were otherwise not eligible to receive City-paid health care insurance as of June 30, 1994. At June 30, 1999, approximately 1,018 eligible retirees received benefits.

Currently, expenses for post-employment healthcare benefits are recognized as they are paid. For the fiscal year ended June 30, 1999, expenditures of approximately \$5,400,000 were recognized for such health care benefits.

Substantially all of the City's general and safety members of SDCERS may become eligible for those benefits if they reach normal retirement age and meet service requirements as defined while working for the City.

11. INTERFUND RECEIVABLE AND PAYABLE BALANCES

Interfund working capital advances balances at June 30, 1999 are as follows (in thousands):

<u>Fund</u>	<u>Advances from Other Funds</u>	<u>Advances to Other Funds</u>
General Fund	\$ 0	\$6,771
Special Revenue Funds:		
City of San Diego Reporting Entity:		
Acquisition, Improvement and Operation	0	213
Environmental Growth	0	1,161
Street Division Operations	0	5,298
Transient Occupancy Tax	0	1,958
Other Special Revenue (budgeted)	0	61
Centre City Development Corporation	400	0
Southeastern Economic Development Corporation	159	0
Total Special Revenue Funds	<u>559</u>	<u>8,691</u>
Debt Service:		
San Diego Open Space Park Facilities District #1	934	0
Total Debt Service Funds	<u>934</u>	<u>0</u>
Capital Projects Funds:		
City of San Diego Reporting Entity:		
Capital Outlay	4,114	0
Other Construction	0	4,114
Redevelopment Agency	0	559
San Diego Facilities and Equipment Leasing Corporation	1,958	0
Total Capital Projects Funds	<u>6,072</u>	<u>4,673</u>

11. INTERFUND RECEIVABLE AND PAYABLE BALANCES (Continued)

<u>Fund</u>	<u>Advances from Other Funds</u>	<u>Advances to Other Funds</u>
Enterprise Funds:		
City of San Diego Reporting Entity:		
Airports	\$ 0	\$ 171
Environmental Services	0	3,896
Golf Course	0	486
Planning and Development Review	0	106
Recycling	0	2,088
Sewer Utility	0	12,717
Water Utility	0	11,498
Total Enterprise Funds	<u>0</u>	<u>30,962</u>
Internal Service Funds:		
City of San Diego Reporting Entity:		
Central Garage and Machine Shop	38,130	36
Central Stores	3,282	20
Engineering and Capital Projects	0	164
Print Shop	0	51
Self Insurance	2,085	0
Miscellaneous Internal Service	0	24
Total Internal Service Funds	<u>43,497</u>	<u>295</u>
Trust and Agency Funds:		
City of San Diego Reporting Entity:		
Other Miscellaneous Agency	330	0
Total	<u>\$51,392</u>	<u>\$51,392</u>
Primary Government and Component Unit:		
Component Unit - SDMSE	0	500
Primary Government - Emergency Medical Services	500	0
Total Primary Government and Component Unit	<u>\$ 500</u>	<u>\$ 500</u>

11. INTERFUND RECEIVABLE AND PAYABLE BALANCES (Continued)

Interfund receivable and payable balances at June 30, 1999 are as follows (in thousands):

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	<u>\$ 94,547</u>	<u>\$ 0</u>
Special Revenue Funds:		
City of San Diego Reporting Entity:		
Transient Occupancy Tax	532	4,989
Public Facilities Financing Authority	0	62
Redevelopment Agency	<u>0</u>	<u>37,430</u>
Total Special Revenue Funds	<u>532</u>	<u>42,481</u>
Capital Projects Funds:		
Convention Center Expansion Financing Authority	0	532
Redevelopment Agency	37,431	0
San Diego Facilities and Equipment Leasing Corporation	<u>0</u>	<u>780</u>
Total Capital Projects Funds	<u>37,431</u>	<u>1,312</u>
Enterprise Funds:		
City of San Diego Reporting Entity:		
Planning and Development Review	0	654
Environmental Services	654	0
Water Utility	<u>780</u>	<u>0</u>
Total Enterprise Funds	<u>1,434</u>	<u>654</u>
Trust and Agency Funds:		
Other Miscellaneous Agency	<u>0</u>	<u>89,497</u>
Total Trust and Agency Funds	<u>0</u>	<u>89,497</u>
Total	<u>\$133,944</u>	<u>\$133,944</u>
Primary Government and Component Unit:		
Component Unit - SDCCC	616	0
Primary Government - Transient Occupancy Tax	<u>0</u>	<u>616</u>
Total	<u>\$ 616</u>	<u>\$ 616</u>

12. ENTERPRISE FUNDS SEGMENT INFORMATION

The City maintains Enterprise Funds which provide airport, sewer, water and other services. Segment information for the year ended June 30, 1999 is as follows (in thousands):

	<u>Airports</u>	<u>The Centre</u>	<u>City Store</u>	<u>Environmental Services</u>	<u>Golf Course</u>	<u>Subtotal</u>
Operating Revenues	\$3,288	\$911	\$516	\$34,983	\$6,775	\$46,473
Operating Expenses before Depreciation & Amortization	1,923	723	485	30,980	4,579	38,690
Depreciation & Amortization	431	3	2	481	183	1,100
Operating Income (Loss)	934	185	29	3,522	2,013	6,683
Operating Transfers In	0	0	0	0	0	0
Transfers In from Governmental Funds	0	0	0	0	0	0
Operating Transfers Out	(10)	0	0	(1,188)	(9)	(1,207)
Transfers Out to Governmental Funds	0	(60)	0	0	(695)	(755)
Nonoperating Revenue	119	21	5	4,100	278	4,523
Nonoperating Expense	0	(1)	0	(35)	(14)	(50)
Net Income (Loss)	1,043	145	34	6,399	1,573	9,194
Grant Revenues (Expenses)	0	0	0	6	0	6
Capital Contributions	1,064	0	0	0	(1,805)	(741)
Net Fixed Asset Additions	2,415	48	0	14,609	558	17,630
(Deletions)	(1,326)	(39)	0	(105)	0	(1,470)
Net Working Capital	4,243	529	181	36,095	5,053	46,101
Total Assets	14,235	493	199	133,044	12,145	160,116
Total Equity	13,992	448	199	121,768	11,415	147,822
Long-Term Liabilities:						0
Bonds Payable	0	0	0	0	0	0
Other	17	5	0	8,477	140	8,639

12. ENTERPRISE FUNDS SEGMENT INFORMATION (Continued)

	Subtotal (Previous Page)	Planning and Develop- ment Review	Recycling	Sewer Utility	Water Utility	San Diego Data Processing Corporation	Grand Total
Operating Revenues	\$46,473	\$32,935	\$13,001	\$198,844	\$181,501	\$57,205	\$529,959
Operating Expenses before Depreciation & Amortization	38,690	34,206	10,168	134,418	177,442	49,448	444,372
Depreciation & Amortization	1,100	874	0	29,863	13,284	6,694	51,815
Operating Income (Loss)	6,683	(2,145)	2,833	34,630	(9,292)	1,063	33,772
Operating Transfers In	0	0	1,100	1,250	1,250	0	3,600
Transfers In from Governmental Funds	0	584	0	0	0	0	584
Operating Transfers Out	(1,207)	(453)	(22)	(1,333)	(769)	0	(3,784)
Transfers Out to Governmental Funds	(755)	0	0	0	0	(500)	(1,255)
Nonoperating Revenue	4,523	530	181	18,063	13,962	52	37,311
Nonoperating Expense	(50)	(73)	(4)	(51,367)	(18,554)	(577)	(70,625)
Net Income (Loss)	9,194	(1,557)	4,088	1,243	(13,403)	38	(397)
Grant Revenues (Expenses)	6	0	0	4,381	3,977	0	8,364
Capital Contributions	(741)	0	327	55,909	31,740	0	87,235
Net Fixed Asset Additions (Deletions)	17,630 (1,470)	111 0	3,588 0	797,331 (637,028)	142,086 (2,129)	(1,932) (437)	958,814 (641,064)
Net Working Capital	46,101	19,366	5,812	674,870	551,340	16,023	1,313,512
Total Assets	160,116	15,246	8,374	2,702,845	1,264,762	27,525	4,178,868
Total Equity	147,822	7,048	4,415	1,537,492	834,825	12,087	2,543,689
Long-Term Liabilities:							
Bonds Payable	0	0	0	0	0	0	0
Other	8,639	355	2,885	1,101,319	386,561	7,681	1,507,440

13. CONTRIBUTED CAPITAL - ENTERPRISE FUNDS

During the year ended June 30, 1999, contributed capital increased (decreased) by the following amounts (in thousands):

<u>Source</u>	<u>Airports</u>	<u>The Centre</u>	<u>City Store</u>	<u>Environ- mental Services</u>	<u>Golf Course</u>	<u>Planning and Develop- ment Review</u>	<u>Recycl- ing</u>	<u>Sewer Utility</u>	<u>Water Utility</u>
Capacity Charges	\$ 0	\$0	\$0	\$ 0	\$ 0	\$ 0	\$0	\$14,651	\$14,762
Developer-Capital Improvements	0	0	0	0	0	0	0	9,303	13,902
Federal Grant - Capital Improvements	0	0	0	0	0	0	0	31,659	1,833
Federal Grant - Capital Reimbursements	629	0	0	0	0	0	0	0	0
Government - General Fixed Assets	0	0	0	0	0	0	0	0	0
Government - Capital Infusion	0	0	0	0	0	0	0	337	957
Contribution in Aid	0	0	0	0	0	0	327	0	
Government - Capital Reimbursement	0	0	0	0	(1,805)	0	0	0	12
Meters and Services	0	0	0	0	0	0	0	0	0
State Grant - Capital Reimbursements	<u>435</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(41)</u>	<u>274</u>
Total Increases (Decreases)	1,064	0	0	0	(1,805)	0	327	55,909	31,740
Contributed Capital, July 1, 1998	<u>9,719</u>	<u>0</u>	<u>0</u>	<u>243</u>	<u>1,826</u>	<u>371</u>	<u>0</u>	<u>810,779</u>	<u>550,190</u>
Contributed Capital, June 30, 1999	<u>\$10,783</u>	<u>\$0</u>	<u>\$0</u>	<u>\$243</u>	<u>\$ 21</u>	<u>\$371</u>	<u>\$327</u>	<u>\$866,688</u>	<u>\$581,930</u>

14. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters which may render the City liable to the public and to its employees. The Self Insurance Fund, an Internal Service Fund, was created to provide coverage against such risks up to a maximum of \$3.0 million for each workers' compensation claim and \$1.0 million for each general or automobile claim.

In addition, the City maintains an excess liability insurance policy whereby the City pays the first \$1,000,000 per occurrence. Amounts in excess of \$1,000,000 up to \$24,000,000 per occurrence are covered by the insurance. Any amounts over \$24,000,000 per occurrence would be paid by the City.

The City is self-insured for workers' compensation, long-term disability and certain employee group health coverages. Each participating fund contributes an amount equal to an actuarially determined rate times the gross salaries of the fund. These payments are treated as operating expenditures in the contributing funds and operating revenues in the receiving funds.

14. RISK MANAGEMENT (Continued)

All funds of the City participate in the program and make payments to the Self Insurance Fund based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The reserve was \$(27.6) million at June 30, 1999 and is reported as a reservation of the Self Insurance Fund's retained earnings.

Estimated liabilities for liability claims have been set up in the Self-Insurance Fund, Sewer Utility Fund, Water Utility Fund, as well as in the General Long-Term Debt Account Group. These amounts represent the City's determination of the probable ultimate cost of the claims. Property insurance is maintained on selected capital assets based upon various factors including management's assessment of the risks of loss.

The estimated liabilities as of June 30, 1999 are determined by the City based on recommendations from an independent actuarial evaluation. The liabilities are based on estimates of the ultimate costs of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported (IBNR).

A reconciliation showing current and prior year activity is presented below (in thousands):

	Public Liability	City's Liability Under Worker's Comp, Long- Term Disability, & Group Health Insurance	Total
Balance July 1, 1997	\$40,354	\$30,872	\$71,226
Claims and Changes in Estimates	10,309	29,871	40,180
Claim Payments	(9,971)	(27,015)	(36,986)
Balance June 30, 1998	40,692	33,728	74,420
Claims and Changes in Estimates	13,739	28,173	41,912
Claim Payments	(13,406)	(28,168)	(41,574)
Balance June 30, 1999	<u>\$41,025</u>	<u>\$33,733</u>	<u>\$74,758</u>

During the current year, there were no significant reductions in insurance coverage from the prior year. For each of the past three fiscal years, the settlements have not exceeded insurance coverage.

15. FUND DEFICIT

The Internal Service Funds have a net fund equity surplus of approximately \$3,788,000 at June 30, 1999. This balance includes a fund equity deficit in the Self Insurance Fund of approximately \$29,016,000 which represents unfunded estimated claims and claim settlements related to worker's compensation, long-term disability and certain employee group health coverages. It is anticipated that individual claim settlements will be funded through user charges subsequent to the filing of a claim and prior to its settlement.

16. COMMITMENTS

At June 30, 1999, \$88,500,000 of Tax Anticipation Notes issued during Fiscal Year 1998-99 were still outstanding. Monies for full redemption of these notes were fully segregated in a separate repayment fund at June 30, 1999 and subsequently used to redeem the notes on September 30, 1999. The liability for these notes is shown in the General Fund. On July 1, 1999, the City issued \$99,500,000 of Tax Anticipation Notes to finance Fiscal Year 1999-00 General Fund cash flow requirements.

The City is currently obligated to transfer up to two-thirds of the annual franchise tax receipts in the Environmental Growth Fund (a Special Revenue Fund) to the San Diego Open Space Park Facilities District #1 (the "District") Fund (a Debt Service Fund) for the payment of debt service on the District's outstanding general obligation bonds. Such required debt service on the District's outstanding bond obligations of \$54,055,000 at June 30, 1999 is approximately \$7,091,000 for each of the subsequent five years ending June 30, 2004.

The City has guaranteed the payment of a revolving line of credit in the maximum amount of \$7,500,000 on behalf of various individuals through Wells Fargo Bank regarding the CDBG Housing Loan Leveraging Program. As of June 30, 1999, approximately \$2,333,707 of total leveraged loans are still outstanding.

The Sewer Utility's construction plans for various projects are estimated to cost approximately \$193,401,000. As of June 30, 1999, the Utility's contractual commitments for the projects totaled approximately \$130,122,000. The Utility intends to finance the contractual commitments with approved State and Federal grants, service charges and the Installment Purchase Agreement.

The Water Utility's construction plans for various projects are estimated to cost approximately \$123,909,000. As of June 30, 1999, the Utility's contractual commitments for the projects totaled approximately \$62,578,000. The Utility intends to finance the contractual commitments with reserves and service charges.

17. CONTINGENCIES

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. City management believes such disallowances, if any, would not have a material effect on the City's financial position.

In September 1989, legislation was adopted (Assembly Bill No. 2080) which requires the Redevelopment Agency of the City of San Diego to fund Low and Moderate Housing Activity equivalent to at least 20% of tax increment revenue received after Fiscal Year 1985. In October 1990, the Agency adopted a nine-year plan to fully fund the retroactive 20% requirement (Resolution No.'s 1911, 1912, and 1913). At June 30, 1999, the 20% requirement was fully funded.

Proposition 218 was approved by the voters in November 1996 and could limit the City's ability to collect new taxes and fees. This measure requires a voter majority approval for all taxes used for "general government purposes" and a two-thirds voter approval for "special taxes" used for defined purposes. Proposition 218 repeals any such taxes imposed after January 1, 1995, that fail to meet these requirements. If the City is unable to continue to collect these revenues, the services and programs funded with these revenues would be reduced or eliminated.

During 1997 the City entered into a ten year agreement with the San Diego Chargers professional football team which included a clause whereby the City would generally provide stadium rent credits to the San Diego Chargers for the value of unsold tickets up to 60,000 for any home game.

18. THIRD PARTY DEBT

The City has authorized the issuance of certain bonds, in its name, to provide tax exempt status because it perceives a substantial public benefit will be achieved through the use of the proceeds. The following describes the various types of such third party debt:

Mortgage and Revenue Bonds

Single Family Mortgage Revenue Bonds have been issued to provide funds to purchase mortgage loans secured by first trust deeds on newly constructed and existing single-family residences. The purpose of this program is to provide low interest rate home mortgage loans to persons of low or moderate income who are unable to qualify for conventional mortgages at market rates. Multi-Family Housing Revenue Bonds are issued to provide construction and permanent financing to developers of multi-family residential rental projects located in the City to be partially occupied by persons of low or moderate income.

Industrial Development Revenue Bonds

Industrial Development Revenue Bonds have been issued to provide financial assistance for the acquisition, construction, and installation of facilities for industrial, commercial or business purposes to mutually benefit the citizens of the City of San Diego.

1911 Act Special Assessment Bonds

1911 Act Special Assessment Bonds have been issued to provide funds for the construction or acquisition of public improvements, and/or the acquisition of property for public purposes, for the benefit of particular property holders within the City. Each bond is secured by a lien on a specific piece of property. As of June 30, 1999, the status of all third party bonds issued is as follows (in thousands):

	<u>Issued</u>	<u>Outstanding</u>
Mortgage Revenue	\$497,452	\$405,323
Industrial Development Revenue	366,805	360,690
1911 Act Special Assessment	185	185
Totals	<u>\$864,442</u>	<u>\$766,198</u>

These bonds do not constitute an indebtedness of the City. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans, certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures, property liens and other loans. In the opinion of City officials, these bonds are not payable from any revenues or assets of the City, and neither the full faith and credit for the taxing authority of the City, the state, or any political subdivision thereof is obligated to the payment of principal or interest on the bonds. In essence, the City is acting as an agent for the property owners/bondholders in collecting and forwarding the funds. Accordingly, no liability has been recorded in the City's General Long-Term Debt Account Group.

19. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require that the City of San Diego place a final cover on its Miramar landfill site when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The \$8,200,000 reported as landfill closure and postclosure care liability at June 30, 1999 represents the cumulative amount reported to date based on the use of 51.5% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and postclosure care of \$8,200,000 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 1999. The City expects to close the landfill in the year 2003. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and postclosure care. The City is in compliance with these requirements, and, at June 30, 1999 cash or equity in pooled cash and investments of \$18,951,000 is held for this purpose. This is reported as restricted assets on the balance sheet. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from other sources.

20. OPERATING AGREEMENTSCity of San Diego and San Diego Data Processing Corporation

In September 1979, the San Diego Data Processing Corporation (SDDPC) entered into an operating agreement with the City. Under the terms of the agreement, as amended, SDDPC has agreed to provide data processing and services needed to support the operational and planning requirements of the City.

The rates charged for the various services are subject to adjustment each fiscal year. Included in data processing services revenue for the year ended June 30, 1999 and 1998 are approximately \$25,320,000 and \$20,360,000, respectively, of revenue earned from the City under this agreement.

The operating agreement also requires SDDPC to purchase computer equipment, computer maintenance, various contractual services and other reimbursed expenses as a part of the service it provides to the City. The City then reimburses SDDPC the costs associated with these expenses. Such transactions are not considered to be revenues and expenses of SDDPC and are excluded from its statements of revenues, expenses and members' equity. The amount of these expenditures for the years ended June 30, 1999 and 1998 were approximately \$24,060,000 and \$19,593,000, respectively. SDDPC earned \$1,260,000 and \$1,610,000 in general and administrative fees from such transactions for year ended June 30, 1999 and 1998, respectively.

The operating agreement was amended during fiscal 1988 to have SDDPC provide and operate telecommunications services for the City. The rates for the various services are subject to adjustment each fiscal year.

20. OPERATING AGREEMENTS (Continued)San Diego Geographical Information System

During Fiscal Year 1997, the San Diego Geographical Information System ("SANGIS") was formed as a Joint Powers Authority ("JPA") from and to replace the Regional Urban Information System ("RUIS"). In Fiscal Year 1998, a five-year services agreement was finalized between SDDPC and SANGIS.

Included in SDDPC's data processing services revenue are the following amounts relating to SANGIS for the years ended June 30, 1999 and 1998, respectively:

	1999	1998
City	\$334,975	\$3,564,669
County	<u>70,685</u>	<u>1,282,796</u>
Totals	<u>\$405,660</u>	<u>\$4,847,465</u>

Complete financial statements for each of the individual component units may be obtained from the City Auditor and Comptroller's office.

Automated Regional Justice Information System

On July 1, 1997, SDDPC renewed, through June 30, 1999, its agreement with a joint powers agency known as the Automated Regional Justice Information System ("ARJIS") whose main purpose is to pursue development of computerized law enforcement systems in the region.

Under the agreement, SDDPC is to provide data processing services to ARJIS at rates which, on an annual basis, are equivalent to those charged to other governmental entity clients. Included in SDDPC's data processing services revenue is approximately \$4,220,000 and \$2,530,000 relating to ARJIS for the years ended June 30, 1999 and 1998, respectively.

State of California

During fiscal year 1999, the SDDPC entered into an agreement with the State of California Department of Information Technology to provide data processing services. The SDDPC's data processing services revenue for the year ended June 30, 1999 was approximately \$549,788.

San Diego Medical Services Enterprise, LLC

On July 1, 1997, the City entered into an operating agreement with San Diego Medical Services Enterprise, LLC ("SDMSE") to provide emergency medical services and emergency medical transportation services. Under the agreement the City paid SDMSE \$900,000 and SDMSE paid the City \$4,504,069.

21. EQUITY ADJUSTMENTResidual Equity Transfers

A residual equity transfer for approximately \$1,805,000 is presented as a decrease to contributed capital in the Golf Course Enterprise Fund and a residual equity transfer to the General Fund.

22. SUBSEQUENT EVENTS

On July 1, 1999, the City issued the \$99,500,000 Fiscal Year 1999-00 Tax Anticipation Notes.



**TRUST AND AGENCY FUNDS
PENSION TRUST FUNDS
CITY EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION - ANALYSIS OF FUNDING PROGRESS
LAST SIX FISCAL YEARS
(IN MILLIONS)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) PUC (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a)/c)
06/30/93	\$1,189,184	\$1,220,830	\$31,646	97.4	\$340,732	9.3
06/30/94	1,273,827	1,338,280	64,453	95.2	360,173	17.9
06/30/95	1,380,436	1,476,711	96,275	93.5	372,967	25.8
06/30/96	1,553,283	1,682,605	129,322	92.3	388,646	33.3
06/30/97	1,716,872	1,822,432	105,560	94.2	408,106	25.9
06/30/98	1,950,158	2,061,301	111,143	94.6	425,707	26.1

REQUIRED SUPPLEMENTARY INFORMATION ON YEAR 2000 COMPLIANCE

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures About Year 2000 Issues, requires disclosure of certain matters regarding the Year 2000 ("Y2K") issue. The City has included such disclosures in the following paragraphs. Because of the unprecedented nature of the Y2K issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, the City's disclosures with respect to the Y2K issue cannot provide assurance that the City is or will be year 2000 ready, that the City's Y2K remediation efforts will be successful in whole or in part, or that parties with which the City does business will be year 2000 ready.

The Y2K issue stems from the inability of some computer systems to function correctly with the dates of the year 2000 or beyond, in data, calculations, or even internal clocks. Problems can occur before the year 2000, when future dates are encountered in data or calculated. An organization's ability to serve its customers may be directly or indirectly affected by such problems in its own computer systems, others' computer systems, or even devices not recognized as computers but controlled by hidden computer components.

The City began its Y2K preventative efforts earlier than many organizations, public and private. The City had approximately \$6,700,000 in Y2K-related expenditures in fiscal years 1997 through 1999, and budgeted \$800,000 for expenditures in fiscal year 2000. These amounts do not include costs for work under less centralized control, such as upgrades & replacements of desktop computers and specialized control devices. Such costs have been borne by operational budgets of individual departments.

The City's Y2K work has been segregated into the following seven categories. In each of these, the work has generally progressed through awareness, inventorying, assessment, correction, testing, and implementation phases. Following is the City's position in regard to each of the work categories:

Custom & Specialty Application Software - These applications may run on the 'mainframe', on one or more of the many smaller applications servers operated in the City, or on one or more of thousands of desktop computers (however, more general purpose desktop applications are addressed in the "Desktop Hardware & Software" category).

San Diego Data Processing Corporation (SDDPC) completed an inventory of major internally developed applications in 1996. These encompassed general accounting, water billing, development permit processing, tracking of criminal justice information, and many other core business functions of the City. A project team was then established, by the City, including SDDPC, and consultants competitively selected for their proven Y2K methods & software tools and availability of skilled programmers. Assessment of this software was completed in July 1997, and indicated that computer programs totaling about 4 million lines of code would need to be analyzed in more detail and perhaps modified. Testing & implementation on the last of the applications modified was completed in May 1999.

City departments identified critical application software purchased on their behalf by SDDPC. SDDPC then worked with thirty vendors to obtain acceptable assurances of Y2K readiness or acquire the needed upgrades. Procedures were distributed and training provided for City departments to inventory and assess remaining software, generally less critical in nature, which they may have implemented internally. The few remaining corrections and upgrades in this latter category are on track for completion before the end of 1999.

REQUIRED SUPPLEMENTARY INFORMATION ON YEAR 2000 COMPLIANCE (Continued)

Server & Network Hardware and Associated System Software - This hardware and software runs or supports applications and databases and enables City departments to share programs and information among connected computers. Our 'mainframe' computer hardware and operating system software were Y2K-ready as of August 1999. Two utility software upgrades are scheduled for installation and testing in November 1999. Information was obtained directly from reputable manufacturers of network infrastructure devices and systems. Those installed during the last few years of rapid network growth were Y2K-ready, but a number of older devices were found to need upgrading or replacement. The last of these were completed in August 1999. Required upgrades to the City's file & print servers, also known as 'local area network' (LAN) servers, are complete except for ongoing antivirus software replacement and the few instances where entire servers are being replaced. All of this work is expected to be complete in November 1999.

Desktop Hardware & Software - A majority of the City's current 'fleet' of desktop computers were purchased in the last four years. They are from 'first tier' manufacturers, and were Y2K-ready, or need only a one time manual reset of their clocks at the start of the next century, or have free 'BIOS' software upgrades available from the manufacturers. The off-the-shelf system and application software on these newer computers was likewise ready or has free Y2K patches available from publishers. Model-and version-specific information was distributed to City departments, which are performing the required minor adjustments to newer computers and replacing those for which upgrades are not practical. This work is 90% complete and will be completed during the remainder of 1999.

Telephone System - NEC, SDDPC's vendor/contractor for the City's telephone system, completed an inventory and assessment of the system. Twelve non-compliant switchgear devices were identified, and all replaced by the end of June 1999.

Embedded Systems - Many devices not generally recognized as computers are controlled by internal computer components which can have Y2K problems. Examples are communications systems; traffic signal controllers; industrial process controllers (e.g. in water and wastewater treatment); laboratory and shop instruments; heating, ventilating, and air conditioning equipment; elevators; fire and security systems; and office appliances.

In the Water and Metropolitan Wastewater Departments, control systems are either very old 'analog' equipment, pre-dating the use of digital computer components in such controls, or are very new and largely Y2K-ready. Tava Technologies, an embedded systems specialist, was contracted to assist in locating any non-compliant or suspect devices. This work is complete, and a few such devices were found, but it has been verified that no such deficiencies will affect control of the facilities. The few which are important for data accumulation are being fixed.

In the Police and Fire & Life Safety Services Departments, Y2K work on emergency communications systems has been finished. Work included the 911 systems, the computer-aided dispatch and vehicle locator systems, the mobile data terminal messaging system, the synchronizing clock system for all of these, and the 900 megahertz radio system which link the messaging system to units in the field. An integrated 'end-to-end' test of these systems was conducted in October 1999, and was completely successful.

The City's traffic control engineers and electricians are upgrading signal controllers to correct a Y2K problem which affects only their capability for date and day-of-week related programming for optimized traffic flow. They expect to complete the upgrade by year-end for all controllers which utilize such programming. However, they have determined that any controllers not upgraded would continue to operate safely, and would require only a manual reset at the beginning of the year 2000 in order to maintain the special programming.

REQUIRED SUPPLEMENTARY INFORMATION ON YEAR 2000 COMPLIANCE (Continued)

Departments responsible for other kinds of equipment, which may contain embedded systems less critical to public health and safety, have inventoried and assessed that equipment. Remedial actions are nearing completion. Examples are City buildings and their included automation, where numerous problematic devices have been found and replaced.

Critical Business Partners - The City is attempting to ensure that its supply of the most essential materials, parts, equipment, and services will not be disrupted by Y2K problems of vendors, manufacturers, or service providers. Procedures were distributed and training provided for all City departments to identify their business partners which are most critical to public or employee health or safety functions or to financial functions. More than five hundred sixty (560+) business partners have been identified and were sent letters and follow-up letters inquiring about their internal Y2K efforts. Seventy-six percent (76%) responded. For those which did not, or could not offer acceptable assurances, dependent City departments are planning for alternative supplies or sources, increased stocks, and/or 'workarounds'.

Contingency & Disaster Planning - In addition to the contingency planning described for critical business partners, planning has accounted for potential interruptions in critical services not under direct City control, such as loss of electric power or public communications on a regional basis. Toward this end the City's Emergency Management Services Division conducted a 'desktop' exercise in May 1999, followed by a 'functional' exercise in the City's Emergency Operations Center in July. All departments with health and safety related functions, and a number of external agencies, were involved. A number of Y2K-related and other emergency situations were simulated.



GENERAL FUND

THE GENERAL FUND IS THE GENERAL OPERATING FUND OF THE CITY. IT IS USED TO ACCOUNT FOR ALL FINANCIAL RESOURCES EXCEPT THOSE REQUIRED TO BE ACCOUNTED FOR IN ANOTHER FUND. GENERAL FUND REVENUES ARE DERIVED FROM SUCH SOURCES AS TAXES, LICENSES AND PERMITS, FINES, FORFEITURES AND PENALTIES, USE OF MONEY AND PROPERTY, AID FROM OTHER GOVERNMENTAL AGENCIES, CHARGES FOR CURRENT SERVICES AND OTHER REVENUE. CURRENT EXPENDITURES AND ENCUMBRANCES ARE CLASSIFIED BY THE FUNCTIONS OF GENERAL GOVERNMENT, COMMUNITY AND ECONOMIC DEVELOPMENT, PUBLIC SAFETY, LIBRARIES, PARKS, RECREATION AND CULTURE, PUBLIC WORKS, EMPLOYEE RELATIONS AND SPECIAL PROJECTS, MISCELLANEOUS AND UNALLOCATED, AND TRANSFER INTEREST EXPENDITURES. APPROPRIATIONS ARE MADE FROM THE FUND ANNUALLY. THE FUND WILL CONTINUE TO EXIST INDEFINITELY.

FINANCIAL STATEMENTS

GENERAL FUND

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	1999	1998
ASSETS		
Cash or Equity in Pooled Cash and Investments	\$ 16,005	\$ 23,516
Receivables:		
Taxes - Net	27,491	27,739
Accounts - Net	29,856	26,392
Claims - Net	9	41
Accrued Interest	1,745	2,451
From Other Funds	94,547	82,923
From Other Agencies	1,068	613
Advances to Other Funds	6,771	4,570
Advances to Other Agencies	350	350
Prepaid and Reimbursable Items and Deposits	302	357
TOTAL ASSETS	\$ 178,144	\$ 168,952
LIABILITIES		
Accounts Payable	\$ 2,461	\$ 2,135
Accrued Wages and Benefits	16,598	14,793
Deferred Revenue	30,934	29,590
Contracts and Notes Payable	88,500	82,000
TOTAL LIABILITIES	138,493	128,518
FUND EQUITY		
Fund Balance:		
Reserved for Encumbrances	9,542	9,181
Reserved for Advances and Deposits	7,121	4,920
Unreserved:		
Designated for Unrealized Gains	—	396
Designated for Subsequent Years' Expenditures	1,818	1,936
Undesignated	21,170	24,001
TOTAL FUND EQUITY	39,651	40,434
TOTAL LIABILITIES AND FUND EQUITY	\$ 178,144	\$ 168,952

GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	1999	1998
REVENUES		
Property Taxes	\$ 130,624	\$ 123,012
Sales Taxes	128,339	117,985
Other Local Taxes	86,968	83,796
Licenses and Permits	20,630	19,272
Fines, Forfeitures and Penalties	23,613	16,170
Revenue from Use of Money and Property	29,940	30,789
Revenue from Federal Agencies	2,026	2,081
Revenue from Other Agencies	55,697	51,522
Charges for Current Services	70,244	67,825
Other Revenue	2,526	2,871
TOTAL REVENUES	550,607	515,323
EXPENDITURES		
Current:		
General Government	67,405	64,725
Community and Economic Development	14,740	13,967
Public Safety	315,231	295,762
Libraries	21,824	20,677
Parks, Recreation and Culture	44,910	41,561
Public Works	70,413	66,931
Employee Relations and Special Projects.....	723	633
Miscellaneous and Unallocated.....	2,505	2,260
Debt Service:		
Interest	4,894	3,683
TOTAL EXPENDITURES	542,645	510,199
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,962	5,124
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary/Fiduciary Funds	1,574	1,918
Transfers from Other Funds	28,369	37,729
Transfers from Component Unit	588	554
Transfers to Proprietary Funds	(15,816)	(8,352)
Transfers to Other Funds	(24,365)	(25,592)
Transfers to Component Unit	(900)	(900)
TOTAL OTHER FINANCING SOURCES (USES)	(10,550)	5,357
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(2,588)	10,481
Fund Balance at Beginning of Year	40,434	28,828
Residual Equity Transfer From Other Funds	1,805	1,125
FUND BALANCE AT END OF YEAR	\$ 39,651	\$ 40,434

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ 130,624	\$ ---	\$ 130,624	\$ 130,392	\$ 232
Sales Taxes	128,339	---	128,339	119,124	9,215
Other Local Taxes	86,968	---	86,968	82,728	4,240
Licenses and Permits	20,630	---	20,630	18,084	2,546
Fines, Forfeitures and Penalties	23,613	---	23,613	22,901	712
Revenue from Use of Money and Property	29,940	396	30,336	29,832	504
Revenue from Federal Agencies	2,026	---	2,026	1,880	146
Revenue from Other Agencies	55,697	---	55,697	54,285	1,412
Charges for Current Services	70,244	---	70,244	66,218	4,026
Other Revenue	2,526	---	2,526	2,224	302
TOTAL REVENUES	550,607	396	551,003	527,668	23,335
EXPENDITURES					
Current:					
General Government	67,405	1,960	69,365	73,081	3,716
Community and Economic Development	14,740	531	15,271	15,559	288
Public Safety	315,231	3,624	318,855	321,486	2,631
Libraries	21,824	265	22,089	22,594	505
Parks, Recreation and Culture	44,910	2,709	47,619	50,001	2,382
Public Works	70,413	1,784	72,197	74,709	2,512
Employee Relations and Special Projects	723	15	738	761	23
Miscellaneous and Unallocated	2,505	76	2,581	3,015	434
Debt Service:					
Interest	4,894	---	4,894	4,894	---
TOTAL EXPENDITURES	542,645	10,964	553,609	566,100	12,491
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,962	(10,568)	(2,606)	(38,432)	35,826
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary/Fiduciary Funds	1,574	526	2,100	3,360	(1,260)
Transfers from Other Funds	28,369	---	28,369	46,258	(17,889)
Transfers from Component Unit	588	---	588	588	---
Transfers to Proprietary Funds	(15,816)	(1,305)	(17,121)	(17,121)	---
Transfers to Other Funds	(24,365)	---	(24,365)	(24,365)	---
Transfers to Component Unit	(900)	---	(900)	(900)	---
TOTAL OTHER FINANCING SOURCES (USES)	(10,550)	(779)	(11,329)	7,820	(19,149)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (2,588)	\$ (11,347)	(13,935)	(30,612)	16,677
Fund Balance Undesignated at July 1, 1998			24,001	24,001	---
Residual Equity Transfer From Other Funds			1,805	1,805	---
Reserved for Encumbrances at July 1, 1998			9,181	9,181	---
Designated for Subsequent Years' Expenditures at July 1, 1998			1,936	1,936	---
Designated for Subsequent Years' Expenditures at June 30, 1999			(1,818)	---	(1,818)
FUND BALANCE UNDESIGNATED AT JUNE 30, 1999			\$ 21,170	\$ 6,311	\$ 14,859

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF REVENUES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
PROPERTY TAXES					
One Percent Property Tax Allocation	\$ —	\$ —	\$ —	\$ 128,892	\$ (128,892)
Current Year - Secured	108,837	—	108,837	1,500	107,337
Current Year Supplemental - Secured	3,754	—	3,754	—	3,754
Current Year - Unsecured	6,115	—	6,115	—	6,115
Current Unsecured Supplemental Roll	64	—	64	—	64
Homeowners' Exemptions - Secured	2,401	—	2,401	—	2,401
Homeowners' Exemptions - Unsecured	2	—	2	—	2
Prior Years' - Secured	3,293	—	3,293	—	3,293
Prior Years' - Unsecured	(95)	—	(95)	—	(95)
Interest and Penalties on Delinquent Taxes	823	—	823	—	823
Escapes - Secured	177	—	177	—	177
Escapes - Unsecured	399	—	399	—	399
Other Property Taxes	814	—	814	—	814
State Secured Unitary	4,040	—	4,040	—	4,040
TOTAL PROPERTY TAXES.....	130,624	—	130,624	130,392	232
SALES TAXES.....	128,339	—	128,339	119,124	9,215
OTHER LOCAL TAXES					
Franchises	33,290	—	33,290	30,873	2,417
Property Transfer Tax	5,234	—	5,234	5,161	73
Transient Occupancy Tax	48,444	—	48,444	46,694	1,750
TOTAL OTHER LOCAL TAXES	86,968	—	86,968	82,728	4,240
LICENSES AND PERMITS					
General Business Licenses	4,967	—	4,967	4,400	567
Refuse Collection Business Licenses	1,729	—	1,729	1,000	729
Other Regulatory Business Licenses	1,970	—	1,970	1,741	229
Rental Unit Tax	5,357	—	5,357	4,990	367
Parking Meter Revenue	4,836	—	4,836	4,461	375
Street and Curb Permits	57	—	57	54	3
Other Licenses and Permits	1,714	—	1,714	1,438	276
TOTAL LICENSES AND PERMITS	20,630	—	20,630	18,084	2,546
FINES, FORFEITURES AND PENALTIES					
California Vehicle Code Violations	21,580	—	21,580	22,143	(563)
Other City Ordinance Code Violations	2,027	—	2,027	745	1,282
Other California Statutory Violations	6	—	6	13	(7)
TOTAL FINES, FORFEITURES AND PENALTIES	23,613	—	23,613	22,901	712

Continued on next page

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF REVENUES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUE FROM USE OF MONEY AND PROPERTY					
Interest on Investments	\$ 8,239	\$ 396	\$ 8,635	\$ 9,942	\$ (1,307)
Balboa Park Rents and Concessions	392	—	392	437	(45)
Mission Bay Park Rents and Concessions	16,492	—	16,492	15,530	962
Torrey Pines Golf Course Rents and Concessions	227	—	227	199	28
Other Rents and Concessions	4,590	—	4,590	3,724	866
TOTAL REVENUE FROM USE OF MONEY AND PROPERTY	29,940	396	30,336	29,832	504
REVENUE FROM FEDERAL AGENCIES					
Revenue from Federal Agencies	2,026	—	2,026	1,880	146
REVENUE FROM OTHER AGENCIES					
State Motor Vehicle License Fees	54,687	—	54,687	51,817	2,870
Off-Highway Motor Vehicle License Fees	20	—	20	—	20
State Grants	990	—	990	2,468	(1,478)
TOTAL REVENUE FROM OTHER AGENCIES	55,697	—	55,697	54,285	1,412
CHARGES FOR CURRENT SERVICES					
Administrative Services to Other Agencies	11	—	11	69	(58)
Cemetery Revenue	650	—	650	549	101
Engineering Services	449	—	449	525	(76)
Fire Services	5,838	—	5,838	5,410	428
Golf Course Revenue	161	—	161	200	(39)
Library Revenue	1,110	—	1,110	906	204
Miscellaneous Recreation Revenue	968	—	968	1,022	(54)
Other Services	1,715	—	1,715	1,583	132
Paramedic Services	109	—	109	110	(1)
Planning and Miscellaneous Filing Fees	1,375	—	1,375	946	429
Police Services	2,620	—	2,620	2,559	61
Swimming Pools Revenue	857	—	857	805	52
Services Rendered to Other Funds for:					
General Government and Financial	29,904	—	29,904	28,762	1,142
Engineering	14,425	—	14,425	14,710	(285)
Park Design	1,104	—	1,104	1,116	(12)
Public Works	7,197	—	7,197	6,021	1,176
Miscellaneous Services	1,751	—	1,751	925	826
TOTAL CHARGES FOR CURRENT SERVICES	70,244	—	70,244	66,218	4,026

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF REVENUES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
OTHER REVENUE					
Other Refunds of Prior Years' Expenditures	\$ 356	\$ —	\$ 356	\$ 334	\$ 22
Repairs and Damage Recoveries	130	—	130	60	70
Sale of Personal Property	261	—	261	228	33
Miscellaneous Revenue	1,779	—	1,779	1,602	177
TOTAL OTHER REVENUE	2,526	—	2,526	2,224	302
TOTAL REVENUES	550,607	396	551,003	527,668	23,335
TRANSFERS FROM PROPRIETARY/FIDUCIARY FUNDS					
Enterprise Funds:					
San Diego Data Processing Corporation	500	—	500	500	—
City of San Diego Reporting Entity:					
Golf Course	695	—	695	820	(125)
Internal Service Funds:					
City of San Diego Reporting Entity:					
Central Garage and Machine Shop	—	526	526	1,026	(500)
Self Insurance	—	—	—	300	(300)
Miscellaneous Internal Service	—	—	—	424	(424)
Trust and Agency Funds:					
Nonexpendable Trust - Cemetery Perpetuity	379	—	379	290	89
TOTAL TRANSFERS FROM PROPRIETARY/ FIDUCIARY FUNDS	1,574	526	2,100	3,360	(1,260)
TRANSFERS FROM OTHER FUNDS					
Special Revenue Funds:					
Redevelopment Agency	1,050	—	1,050	1,050	—
City of San Diego Reporting Entity:					
Acquisition, Improvement and Operation	3	—	3	—	3
Environmental Growth	—	—	—	898	(898)
Police Decentralization	—	—	—	3,564	(3,564)
Special Gas Tax Street Improvement	2,629	—	2,629	7,686	(5,057)
Transient Occupancy Tax	15,655	—	15,655	24,043	(8,388)
Other Special Revenue	5,623	—	5,623	5,582	41
Trust and Agency Funds:					
Expendable Trust - Library Trust Fund	2	—	2	—	2
Capital Projects Funds:					
City of San Diego Reporting Entity:					
Other Construction	3,407	—	3,407	3,435	(28)
TOTAL TRANSFERS FROM OTHER FUNDS	28,369	—	28,369	46,258	(17,889)
TRANSFERS FROM COMPONENT UNIT					
Transfer from San Diego Medical Services Enterprise, LLC	588	—	588	588	—
TOTAL REVENUES AND TRANSFERS	\$ 581,138	\$ 922	\$ 582,060	\$ 577,874	\$ 4,186

GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
GENERAL GOVERNMENT					
Departmental:					
Mayor					
Salaries and Wages	\$ 358	\$ —	\$ 358	\$ 409	\$ 51
Non-Personnel	162	1	163	184	21
Total Mayor	520	1	521	593	72
Executive Services					
Salaries and Wages	564	—	564	630	66
Non-Personnel	254	16	270	323	53
Total Executive Services	818	16	834	953	119
Intergovernmental Relations					
Salaries and Wages	399	—	399	416	17
Non-Personnel	466	17	483	483	—
Total Intergovernmental Relations	865	17	882	899	17
City Council District 1					
Salaries and Wages	341	—	341	343	2
Non-Personnel	127	1	128	139	11
Total City Council District 1	468	1	469	482	13
City Council District 2					
Salaries and Wages	350	—	350	357	7
Non-Personnel	142	1	143	152	9
Total City Council District 2	492	1	493	509	16
City Council District 3					
Salaries and Wages	346	—	346	346	—
Non-Personnel	133	—	133	135	2
Total City Council District 3	479	—	479	481	2
City Council District 4					
Salaries and Wages	336	—	336	362	26
Non-Personnel	145	3	148	152	4
Total City Council District 4	481	3	484	514	30
City Council District 5					
Salaries and Wages	356	—	356	378	22
Non-Personnel	140	1	141	151	10
Total City Council District 5	496	1	497	529	32
City Council District 6					
Salaries and Wages	310	—	310	332	22
Non-Personnel	131	2	133	146	13
Total City Council District 6	441	2	443	478	35
City Council District 7					
Salaries and Wages	361	—	361	361	—
Non-Personnel	149	2	151	162	11
Total City Council District 7	510	2	512	523	11
City Council District 8					
Salaries and Wages	381	—	381	381	—
Non-Personnel	146	1	147	150	3
Total City Council District 8	527	1	528	531	3
Council Administration					
Salaries and Wages	311	—	311	340	29
Non-Personnel	162	1	163	190	27
Total Council Administration	473	1	474	530	56

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$	—	\$	—	\$	—	\$	—	\$	—
1	—	1	14	13	358	—	358	409	51
1	—	1	14	13	163	1	164	198	34
					521	1	522	607	85
—	—	—	—	—	564	—	564	630	66
3	—	3	10	7	257	16	273	333	60
3	—	3	10	7	821	16	837	963	126
—	—	—	—	—	399	—	399	416	17
13	—	13	21	8	479	17	496	504	8
13	—	13	21	8	878	17	895	920	25
—	—	—	—	—	341	—	341	343	2
1	—	1	2	1	128	1	129	141	12
1	—	1	2	1	469	1	470	484	14
—	—	—	—	—	350	—	350	357	7
4	—	4	10	6	146	1	147	162	15
4	—	4	10	6	496	1	497	519	22
—	—	—	—	—	346	—	346	346	—
7	—	7	8	1	140	—	140	143	3
7	—	7	8	1	486	—	486	489	3
—	—	—	—	—	336	—	336	362	26
1	1	2	3	1	146	4	150	155	5
1	1	2	3	1	482	4	486	517	31
—	—	—	—	—	356	—	356	378	22
—	—	—	—	—	140	1	141	151	10
—	—	—	—	—	496	1	497	529	32
—	—	—	—	—	310	—	310	332	22
1	—	1	1	—	132	2	134	147	13
1	—	1	1	—	442	2	444	479	35
—	—	—	—	—	361	—	361	361	—
—	—	—	3	3	149	2	151	165	14
—	—	—	3	3	510	2	512	526	14
—	—	—	—	—	381	—	381	381	—
1	—	1	1	—	147	1	148	151	3
1	—	1	1	—	528	1	529	532	3
—	—	—	—	—	311	—	311	340	29
1	—	1	8	7	163	1	164	198	34
1	—	1	8	7	474	1	475	538	63

Continued on next page

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Departmental (Continued):					
City Clerk					
Salaries and Wages	\$ 1,656	\$ —	\$ 1,656	\$ 1,687	\$ 31
Non-Personnel	1,155	10	1,165	1,177	12
Total City Clerk	2,811	10	2,821	2,864	43
City Manager					
Salaries and Wages	236	—	236	236	—
Non-Personnel	93	—	93	94	1
Total City Manager	329	—	329	330	1
City Attorney					
Salaries and Wages	14,757	—	14,757	14,778	21
Non-Personnel	5,892	133	6,025	6,133	108
Total City Attorney	20,649	133	20,782	20,911	129
City Auditor and Comptroller					
Salaries and Wages	4,494	—	4,494	4,535	41
Non-Personnel	1,893	14	1,907	1,908	1
Total City Auditor and Comptroller	6,387	14	6,401	6,443	42
Personnel					
Salaries and Wages	2,674	—	2,674	2,694	20
Non-Personnel	1,444	118	1,562	1,599	37
Total Personnel	4,118	118	4,236	4,293	57
Information Technology & Communication					
Salaries and Wages	2,517	34	2,551	2,608	57
Non-Personnel	1,475	209	1,684	1,691	7
Total Information Technology & Communication	3,992	243	4,235	4,299	64
Financial Management:					
Budget & Management Services					
Salaries and Wages	1,270	—	1,270	1,272	2
Non-Personnel	625	—	625	650	25
Total Budget & Management Services	1,895	—	1,895	1,922	27
City Treasurer					
Salaries and Wages	2,357	—	2,357	2,386	29
Non-Personnel	2,705	208	2,913	2,934	21
Total City Treasurer	5,062	208	5,270	5,320	50
Purchasing					
Salaries and Wages	713	—	713	898	185
Non-Personnel	383	1	384	440	56
Total Purchasing	1,096	1	1,097	1,338	241
Citizens Assistance					
Salaries and Wages	225	—	225	225	—
Non-Personnel	114	—	114	130	16
Total Citizens Assistance	339	—	339	355	16
Total Financial Management	8,392	209	8,601	8,935	334
Financing Services					
Salaries and Wages	739	—	739	846	107
Non-Personnel	305	15	320	334	14
Total Financing Services	1,044	15	1,059	1,180	121
Total Departmental	54,292	788	55,080	56,277	1,197

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,656	\$ --	\$ 1,656	\$ 1,687	\$ 31
15	--	15	30	15	1,170	10	1,180	1,207	27
15	--	15	30	15	2,826	10	2,836	2,894	58
16	--	16	16	--	252	--	252	252	--
5	--	5	7	2	98	--	98	101	3
21	--	21	23	2	350	--	350	353	3
--	--	--	--	--	14,757	--	14,757	14,778	21
37	40	77	99	22	5,929	173	6,102	6,232	130
37	40	77	99	22	20,686	173	20,859	21,010	151
--	--	--	--	--	4,494	--	4,494	4,535	41
47	--	47	51	4	1,940	14	1,954	1,959	5
47	--	47	51	4	6,434	14	6,448	6,494	46
--	--	--	--	--	2,674	--	2,674	2,694	20
12	5	17	85	68	1,456	123	1,579	1,684	105
12	5	17	85	68	4,130	123	4,253	4,378	125
--	--	--	--	--	2,517	34	2,551	2,608	57
121	4	125	177	52	1,596	213	1,809	1,868	59
121	4	125	177	52	4,113	247	4,360	4,476	116
10	--	10	10	--	1,280	--	1,280	1,282	2
3	--	3	7	4	628	--	628	657	29
13	--	13	17	4	1,908	--	1,908	1,939	31
--	--	--	--	--	2,357	--	2,357	2,386	29
31	--	31	213	182	2,736	208	2,944	3,147	203
31	--	31	213	182	5,093	208	5,301	5,533	232
3	--	3	3	--	716	--	716	901	185
2	--	2	2	--	385	1	386	442	56
5	--	5	5	--	1,101	1	1,102	1,343	241
--	--	--	--	--	225	--	225	225	--
--	--	--	12	12	114	--	114	142	28
--	--	--	12	12	339	--	339	367	28
49	--	49	247	198	8,441	209	8,650	9,182	532
4	--	4	4	--	743	--	743	850	107
1	--	1	21	20	306	15	321	355	34
5	--	5	25	20	1,049	15	1,064	1,205	141
340	50	390	818	428	54,632	838	55,470	57,095	1,625

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**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Citywide Program:					
Council Meeting Broadcast					
Non-Personnel	\$ 629	\$ ---	\$ 629	\$ 629	\$ ---
General Government Printing					
Non-Personnel	155	---	155	155	---
Insurance					
Non-Personnel	289	---	289	289	---
Employee Personal Property Damage					
Non-Personnel	10	---	10	11	1
Independent Audit					
Non-Personnel	15	60	75	75	---
Assessments to Public Property					
Non-Personnel	121	---	121	121	---
Property Tax Administration					
Non-Personnel	1,646	---	1,646	1,647	1
Volunteer Coordinator					
Salaries and Wages	82	---	82	82	---
Non-Personnel	40	1	41	41	---
Total Volunteer Coordinator	122	1	123	123	---
Special Events Coordinator					
Salaries and Wages	158	---	158	158	---
Non-Personnel	106	---	106	107	1
Total Special Events Coordinator	264	---	264	265	1
Citywide Financial Accounting Systems					
Non-Personnel	718	---	718	744	26
Special Projects:					
Space Rental					
Salaries and Wages	76	---	76	76	---
Non-Personnel	3,429	65	3,494	3,494	---
Total Space Rental	3,505	65	3,570	3,570	---
San Diego Geographic Info Source					
Salaries and Wages	81	---	81	81	---
Non-Personnel	298	9	307	307	---
Total San Diego Geographic Info Source.....	379	9	388	388	---
Other Special Projects					
Salaries and Wages	318	---	318	322	4
Non-Personnel	4,270	609	4,879	6,598	1,719
Total Other Special Projects	4,588	609	5,197	6,920	1,723
Total Citywide Program	12,441	744	13,185	14,937	1,752
TOTAL GENERAL GOVERNMENT	66,733	1,532	68,265	71,214	2,949

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 629	\$ —	\$ 629	\$ 629	\$ —
—	—	—	—	—	155	—	155	155	—
—	170	170	170	—	289	170	459	459	—
—	—	—	—	—	10	—	10	11	1
55	28	83	84	1	70	88	158	159	1
—	—	—	97	97	121	—	121	218	97
—	—	—	—	—	1,646	—	1,646	1,647	1
—	—	—	—	—	82	—	82	82	—
—	—	—	—	—	40	1	41	41	—
—	—	—	—	—	122	1	123	123	—
—	—	—	—	—	158	—	158	158	—
—	—	—	—	—	106	—	106	107	1
—	—	—	—	—	264	—	264	265	1
—	—	—	—	—	718	—	718	744	26
—	—	—	—	—	76	—	76	76	—
4	—	4	4	—	3,433	65	3,498	3,498	—
4	—	4	4	—	3,509	65	3,574	3,574	—
—	—	—	—	—	81	—	81	81	—
—	—	—	—	—	298	9	307	307	—
—	—	—	—	—	379	9	388	388	—
—	—	—	—	—	318	—	318	322	4
273	180	453	694	241	4,543	789	5,332	7,292	1,960
273	180	453	694	241	4,861	789	5,650	7,614	1,964
332	378	710	1,049	339	12,773	1,122	13,895	15,986	2,091
672	428	1,100	1,867	767	67,405	1,960	69,365	73,081	3,716

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GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
COMMUNITY & ECONOMIC DEVELOPMENT					
Departmental:					
Economic Development					
Salaries and Wages	\$ 1,990	\$ —	\$ 1,990	\$ 2,001	\$ 11
Non-Personnel	814	3	817	827	10
Total Economic Development	2,804	3	2,807	2,828	21
Neighborhood Code Compliance					
Salaries and Wages	2,987	—	2,987	3,051	64
Non-Personnel	1,895	81	1,976	1,998	22
Total Neighborhood Code Compliance	4,882	81	4,963	5,049	86
Neighborhood Development					
Salaries and Wages	3,728	—	3,728	3,729	1
Non-Personnel	2,323	243	2,566	2,570	4
Total Neighborhood Development	6,051	243	6,294	6,299	5
Total Departmental	13,737	327	14,064	14,176	112
Citywide Program:					
Community & Economic Development Special Projects					
Salaries and Wages	69	—	69	69	—
Non-Personnel	857	183	1,040	1,063	23
Total Community & Economic Development Special Projects	926	183	1,109	1,132	23
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	14,663	510	15,173	15,308	135
PUBLIC SAFETY					
Departmental:					
Police					
Salaries and Wages	149,491	—	149,491	151,310	1,819
Non-Personnel	65,241	2,173	67,414	67,416	2
Total Police	214,732	2,173	216,905	218,726	1,821
Fire & Life Safety Services					
Salaries and Wages	67,523	—	67,523	67,524	1
Non-Personnel	27,818	771	28,589	28,626	37
Total Fire & Life Safety Services	95,341	771	96,112	96,150	38
Health Services Furnished by County					
Non-Personnel	7	7	14	16	2
Total Departmental	310,080	2,951	313,031	314,892	1,861
Citywide Program:					
Police Review Board					
Salaries and Wages	114	—	114	114	—
Non-Personnel	66	2	68	76	8
Total Police Review Board	180	2	182	190	8
Animal Regulation					
Non-Personnel	2,230	194	2,424	2,424	—
Emergency Medical Services					
Salaries and Wages	118	—	118	126	8
Non-Personnel	787	14	801	802	1
Total Emergency Medical Services	905	14	919	928	9
Total Citywide Program	3,315	210	3,525	3,542	17
TOTAL PUBLIC SAFETY	313,395	3,161	316,556	318,434	1,878

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,990	\$ ---	\$ 1,990	\$ 2,001	\$ 11
---	4	4	29	25	814	7	821	856	35
---	4	4	29	25	2,804	7	2,811	2,857	46
---	---	---	---	---	2,987	---	2,987	3,051	64
40	7	47	106	59	1,935	88	2,023	2,104	81
40	7	47	106	59	4,922	88	5,010	5,155	145
9	---	9	9	---	3,737	---	3,737	3,738	1
28	10	38	107	69	2,351	253	2,604	2,677	73
37	10	47	116	69	6,088	253	6,341	6,415	74
77	21	98	251	153	13,814	348	14,162	14,427	265
---	---	---	---	---	69	---	69	69	---
---	---	---	---	---	857	183	1,040	1,063	23
---	---	---	---	---	926	183	1,109	1,132	23
77	21	98	251	153	14,740	531	15,271	15,559	288
7	---	7	7	---	149,498	---	149,498	151,317	1,819
1,445	103	1,548	1,941	393	66,686	2,276	68,962	69,357	395
1,452	103	1,555	1,948	393	216,184	2,276	218,460	220,674	2,214
13	1	14	14	---	67,536	1	67,537	67,538	1
357	153	510	864	354	28,175	924	29,099	29,490	391
370	154	524	878	354	95,711	925	96,636	97,028	392
1	---	1	7	6	8	7	15	23	8
1,823	257	2,080	2,833	753	311,903	3,208	315,111	317,725	2,614
---	---	---	---	---	114	---	114	114	---
---	---	---	---	---	66	2	68	76	8
---	---	---	---	---	180	2	182	190	8
---	206	206	206	---	2,230	400	2,630	2,630	---
---	---	---	---	---	118	---	118	126	8
13	---	13	13	---	800	14	814	815	1
13	---	13	13	---	918	14	932	941	9
13	206	219	219	---	3,328	416	3,744	3,761	17
1,836	463	2,299	3,052	753	315,231	3,624	318,855	321,486	2,631

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GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
LIBRARIES					
Departmental:					
Libraries					
Salaries and Wages	\$ 12,344	\$ —	\$ 12,344	\$ 12,593	\$ 249
Non-Personnel	9,333	265	9,598	9,705	107
Total Libraries	21,677	265	21,942	22,298	356
TOTAL LIBRARIES	21,677	265	21,942	22,298	356
PARKS, RECREATION AND CULTURE					
Departmental:					
Park and Recreation:					
Management					
Salaries and Wages	601	—	601	614	13
Non-Personnel	331	4	335	335	—
Total Management	932	4	936	949	13
Coastline Parks					
Salaries and Wages	5,759	—	5,759	6,108	349
Non-Personnel	5,962	710	6,672	6,673	1
Total Coastline Parks	11,721	710	12,431	12,781	350
Central					
Salaries and Wages	6,007	—	6,007	6,527	520
Non-Personnel	6,390	606	6,996	6,997	1
Total Central	12,397	606	13,003	13,524	521
Community Park & Recreation					
Salaries and Wages	6,527	—	6,527	6,733	206
Non-Personnel	5,986	439	6,425	6,426	1
Total Community Park & Recreation	12,513	439	12,952	13,159	207
Park Development & Open Space					
Salaries and Wages	2,804	—	2,804	3,368	564
Non-Personnel	3,343	655	3,998	3,998	—
Total Park Development & Open Space	6,147	655	6,802	7,366	564
Total Departmental	43,710	2,414	46,124	47,779	1,655
Citywide Program:					
Park and Recreation Projects					
Non-Personnel	110	23	133	395	262
TOTAL PARKS, RECREATION AND CULTURE	43,820	2,437	46,257	48,174	1,917
PUBLIC WORKS					
Departmental:					
Transportation:					
Management					
Salaries and Wages	131	—	131	131	—
Non-Personnel	35	—	35	36	1
Total Management	166	—	166	167	1
Parking Management					
Salaries and Wages	2,198	—	2,198	2,361	163
Non-Personnel	1,678	44	1,722	1,764	42
Total Parking Management	3,876	44	3,920	4,125	205
Traffic Engineering					
Salaries and Wages	2,772	—	2,772	2,779	7
Non-Personnel	1,198	36	1,234	1,234	—
Total Traffic Engineering	3,970	36	4,006	4,013	7
Total Transportation	8,012	80	8,092	8,305	213

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 3	\$ ---	\$ 3	\$ 3	\$ ---	\$ 12,347	\$ ---	\$ 12,347	\$ 12,596	\$ 249
144	---	144	293	149	9,477	265	9,742	9,998	256
147	---	147	296	149	21,824	265	22,089	22,594	505
147	---	147	296	149	21,824	265	22,089	22,594	505
3	---	3	3	---	604	---	604	617	13
2	---	2	10	8	333	4	337	345	8
5	---	5	13	8	937	4	941	962	21
3	---	3	3	---	5,762	---	5,762	6,111	349
249	52	301	356	55	6,211	762	6,973	7,029	56
252	52	304	359	55	11,973	762	12,735	13,140	405
---	---	---	---	---	6,007	---	6,007	6,527	520
224	70	294	436	142	6,614	676	7,290	7,433	143
224	70	294	436	142	12,621	676	13,297	13,960	663
---	---	---	---	---	6,527	---	6,527	6,733	206
405	134	539	745	206	6,391	573	6,964	7,171	207
405	134	539	745	206	12,918	573	13,491	13,904	413
2	---	2	2	---	2,806	---	2,806	3,370	564
202	16	218	272	54	3,545	671	4,216	4,270	54
204	16	220	274	54	6,351	671	7,022	7,640	618
1,090	272	1,362	1,827	465	44,800	2,686	47,486	49,606	2,120
---	---	---	---	---	110	23	133	395	262
1,090	272	1,362	1,827	465	44,910	2,709	47,619	50,001	2,382
---	---	---	---	---	131	---	131	131	---
---	---	---	1	1	35	---	35	37	2
---	---	---	1	1	166	---	166	168	2
---	---	---	---	---	2,198	---	2,198	2,361	163
37	34	71	88	17	1,715	78	1,793	1,852	59
37	34	71	88	17	3,913	78	3,991	4,213	222
---	---	---	---	---	2,772	---	2,772	2,779	7
45	18	63	64	1	1,243	54	1,297	1,298	1
45	18	63	64	1	4,015	54	4,069	4,077	8
82	52	134	153	19	8,094	132	8,226	8,458	232

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THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
Departmental (Continued):					
Facilities Maintenance					
Salaries and Wages	\$ 6,025	\$ —	\$ 6,025	\$ 6,025	\$ —
Non-Personnel	6,294	246	6,540	6,540	—
Total Facilities Maintenance	12,319	246	12,565	12,565	—
Environmental Services:					
Environmental Programs					
Salaries and Wages	191	—	191	197	6
Non-Personnel	269	—	269	289	20
Total Environmental Programs	460	—	460	486	26
Refuse Collection					
Salaries and Wages	7,050	—	7,050	7,211	161
Non-Personnel	20,148	827	20,975	21,000	25
Total Refuse Collection	27,198	827	28,025	28,211	186
Total Environmental Services	27,658	827	28,485	28,697	212
Real Estate Assets					
Salaries and Wages	2,166	—	2,166	2,289	123
Non-Personnel	943	76	1,019	1,048	29
Total Real Estate Assets	3,109	76	3,185	3,337	152
Mt. Hope Cemetery					
Salaries and Wages	406	—	406	497	91
Non-Personnel	504	119	623	629	6
Total Mt. Hope Cemetery	910	119	1,029	1,126	97
Engineering and Capital Projects:					
Contract services					
Salaries and Wages	1,127	—	1,127	1,127	—
Non-Personnel	496	3	499	499	—
Total Contract services	1,623	3	1,626	1,626	—
Administration					
Salaries and Wages	428	—	428	428	—
Non-Personnel	180	5	185	185	—
Total Administration	608	5	613	613	—
Field Engineering					
Salaries and Wages	5,427	—	5,427	5,480	53
Non-Personnel	2,219	93	2,312	2,365	53
Total Field Engineering	7,646	93	7,739	7,845	106
Public Buildings & Parks					
Salaries and Wages	1,050	—	1,050	1,050	—
Non-Personnel	360	11	371	371	—
Total Public Buildings & Parks	1,410	11	1,421	1,421	—
Transportation & Drainage Design					
Salaries and Wages	2,860	—	2,860	2,946	86
Non-Personnel	1,965	5	1,970	2,014	44
Total Transportation & Drainage Design	4,825	5	4,830	4,960	130
Total Engineering and Capital Projects	16,112	117	16,229	16,465	236
Total Departmental	68,120	1,465	69,585	70,495	910
Citywide Program:					
Public Works Projects					
Salaries and Wages	408	—	408	421	13
Non-Personnel	1,392	140	1,532	2,476	944
Total Public Works Citywide Program	1,800	140	1,940	2,897	957
TOTAL PUBLIC WORKS	69,920	1,605	71,525	73,392	1,867

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 2	\$ ---	\$ 2	\$ 2	\$ ---	\$ 6,027	\$ ---	\$ 6,027	\$ 6,027	\$ ---
127	---	127	277	150	6,421	246	6,667	6,817	150
129	---	129	279	150	12,448	246	12,694	12,844	150
---	---	---	---	---	191	---	191	197	6
---	---	---	19	19	269	---	269	308	39
---	---	---	19	19	460	---	460	505	45
5	---	5	5	---	7,055	---	7,055	7,216	161
78	8	86	97	11	20,226	835	21,061	21,097	36
83	8	91	102	11	27,281	835	28,116	28,313	197
83	8	91	121	30	27,741	835	28,576	28,818	242
2	---	2	2	---	2,168	---	2,168	2,291	123
105	---	105	170	65	1,048	76	1,124	1,218	94
107	---	107	172	65	3,216	76	3,292	3,509	217
---	---	---	---	---	406	---	406	497	91
34	---	34	83	49	538	119	657	712	55
34	---	34	83	49	944	119	1,063	1,209	146
---	---	---	---	---	1,127	---	1,127	1,127	---
---	---	---	---	---	496	3	499	499	---
---	---	---	---	---	1,623	3	1,626	1,626	---
3	---	3	3	---	431	---	431	431	---
1	---	1	30	29	181	5	186	215	29
4	---	4	33	29	612	5	617	646	29
4	---	4	4	---	5,431	---	5,431	5,484	53
13	20	33	79	46	2,232	113	2,345	2,444	99
17	20	37	83	46	7,663	113	7,776	7,928	152
---	---	---	---	---	1,050	---	1,050	1,050	---
6	---	6	30	24	366	11	377	401	24
6	---	6	30	24	1,416	11	1,427	1,451	24
3	---	3	3	---	2,863	---	2,863	2,949	86
3	1	4	30	26	1,968	6	1,974	2,044	70
6	1	7	33	26	4,831	6	4,837	4,993	156
33	21	54	179	125	16,145	138	16,283	16,644	361
468	81	549	987	438	68,588	1,546	70,134	71,482	1,348
---	---	---	---	---	408	---	408	421	13
25	98	123	330	207	1,417	238	1,655	2,806	1,151
25	98	123	330	207	1,825	238	2,063	3,227	1,164
493	179	672	1,317	645	70,413	1,784	72,197	74,709	2,512

Continued on next page

**GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
EMPLOYEE RELATIONS & SPECIAL PROJECTS					
Departmental:					
Organization Effectiveness Program					
Salaries and Wages	\$ 502	\$ —	\$ 502	\$ 502	\$ —
Non-Personnel	220	15	235	256	21
TOTAL EMPLOYEE RELATIONS & SPECIAL PROJECTS	722	15	737	758	21
MISCELLANEOUS AND UNALLOCATED					
Citywide Program:					
Exceptional Performance Pay					
Salaries and Wages	—	—	—	189	189
Non-Personnel	—	—	—	15	15
Total Exceptional Performance Pay	—	—	—	204	204
Labor Relations					
Salaries and Wages	320	—	320	322	2
Non-Personnel	135	—	135	137	2
Total Labor Relations	455	—	455	459	4
Transportation					
Salaries and Wages	38	—	38	38	—
Non-Personnel	847	—	847	848	1
Total Transportation	885	—	885	886	1
Memberships					
Non-Personnel	411	—	411	411	—
Municipal Activities					
Non-Personnel	17	21	38	51	13
Management Compensation Plan					
Salaries and Wages	—	—	—	—	—
Non-Personnel	237	—	237	245	8
Total Management Compensation Plan	237	—	237	245	8
Citywide Training					
Salaries and Wages	12	—	12	13	1
Non-Personnel	8	35	43	44	1
Total Citywide Training	20	35	55	57	2
Unified Disaster Council					
Non-Personnel	107	—	107	107	—
Random Drug Testing					
Salaries and Wages	47	—	47	47	—
Non-Personnel	87	20	107	109	2
Total Random Drug Testing	134	20	154	156	2
Competition Program					
Non-Personnel	148	—	148	148	—
Fellowship Program					
Salaries and Wages	41	—	41	41	—
Non-Personnel	40	—	40	40	—
Total Fellowship Program	81	—	81	81	—
TOTAL MISCELLANEOUS AND UNALLOCATED	2,495	76	2,571	2,805	234
DEBT SERVICE					
Interest	4,894	—	4,894	4,894	—
TOTAL EXPENDITURES	538,319	9,601	547,920	557,277	9,357

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ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 1	\$ --	\$ 1	\$ 3	\$ 2	\$ 502 221	\$ 15	\$ 502 236	\$ 502 259	\$ 23
1	--	1	3	2	723	15	738	761	23
--	--	--	--	--	--	--	--	189	189
--	--	--	56	56	--	--	--	71	71
--	--	--	56	56	--	--	--	260	260
--	--	--	--	--	320	--	320	322	2
--	--	--	--	--	135	--	135	137	2
--	--	--	--	--	455	--	455	459	4
--	--	--	--	--	38	--	38	38	--
--	--	--	--	--	847	--	847	848	1
--	--	--	--	--	885	--	885	886	1
--	--	--	--	--	411	--	411	411	--
--	--	--	--	--	17	21	38	51	13
--	--	--	--	--	--	--	--	--	--
--	--	--	--	--	237	--	237	245	8
--	--	--	--	--	237	--	237	245	8
--	--	--	--	--	12	--	12	13	1
--	--	--	--	--	8	35	43	44	1
--	--	--	--	--	20	35	55	57	2
--	--	--	--	--	107	--	107	107	--
--	--	--	--	--	47	--	47	47	--
10	--	10	31	21	97	20	117	140	23
10	--	10	31	21	144	20	164	187	23
--	--	--	123	123	148	--	148	271	123
--	--	--	--	--	41	--	41	41	--
--	--	--	--	--	40	--	40	40	--
--	--	--	--	--	81	--	81	81	--
10	--	10	210	200	2,505	76	2,581	3,015	434
--	--	--	--	--	4,894	--	4,894	4,894	--
4,326	1,363	5,689	8,823	3,134	542,645	10,964	553,609	566,100	12,491

Continued on next page

GENERAL FUND
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF EXPENDITURES AND TRANSFERS
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Current Year				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
TRANSFERS TO PROPRIETARY FUNDS					
Internal Service Funds:					
City of San Diego Reporting Entity:					
Central Stores.....	\$ 136	\$ —	\$ 136	136	\$ —
Self Insurance	6,884	1,305	8,189	8,189	—
Miscellaneous Internal Service	8,651	—	8,651	8,651	—
Total Internal Service Funds	15,671	1,305	16,976	16,976	—
TOTAL TRANSFERS TO PROPRIETARY FUNDS	15,671	1,305	16,976	16,976	—
TRANSFERS TO OTHER FUNDS					
Special Revenue Funds:					
City of San Diego Reporting Entity:					
Acquisition, Improvement and Operation.....	35	—	35	35	—
Streets Division Operations.....	14,624	—	14,624	14,624	—
Other Special Revenue	9,120	—	9,120	9,120	—
Total Special Revenue Funds	23,779	—	23,779	23,779	—
Capital Projects Funds:					
Redevelopment Agency.....	380	—	380	380	—
City of San Diego Reporting Entity:					
Other Construction.....	196	—	196	196	—
Total Capital Projects Funds	576	—	576	576	—
TOTAL TRANSFERS TO OTHER FUNDS	24,355	—	24,355	24,355	—
TRANSFER TO COMPONENT UNIT					
Transfer to San Diego Medical Services Enterprise, LLC	900	—	900	900	—
TOTAL EXPENDITURES AND TRANSFERS	\$ 579,245	\$ 10,906	\$ 590,151	\$ 599,508	\$ 9,357

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Prior Year					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 136	\$ —	\$ 136	\$ 136	\$ —
—	—	—	—	—	6,884	1,305	8,189	8,189	—
145	—	145	145	—	8,796	—	8,796	8,796	—
145	—	145	145	—	15,816	1,305	17,121	17,121	—
145	—	145	145	—	15,816	1,305	17,121	17,121	—
—	—	—	—	—	35	—	35	35	—
—	—	—	—	—	14,624	—	14,624	14,624	—
—	—	—	—	—	9,120	—	9,120	9,120	—
—	—	—	—	—	23,779	—	23,779	23,779	—
—	—	—	—	—	380	—	380	380	—
10	—	10	10	—	206	—	206	206	—
10	—	10	10	—	586	—	586	586	—
10	—	10	10	—	24,365	—	24,365	24,365	—
—	—	—	—	—	900	—	900	900	—
\$ 4,481	\$ 1,363	\$ 5,844	\$ 8,978	\$ 3,134	\$ 583,726	\$ 12,269	\$ 595,995	\$ 608,486	\$ 12,491



SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS ARE USED TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES (OTHER THAN THOSE FOR EXPENDABLE TRUSTS OR FOR MAJOR CAPITAL PROJECTS) THAT ARE LEGALLY RESTRICTED TO EXPENDITURES FOR SPECIFIED PURPOSES.

CITY OF SAN DIEGO

The following funds are included in the City of San Diego Reporting Entity:

ACQUISITION, IMPROVEMENT AND OPERATION FUND

This fund accounts for various operating activities whose revenues are derived from specific sources and expenditures are legally restricted. These include Business Improvement Areas, Lighting and Landscape Maintenance Areas, Facilities Financing, and the City's public arts program. Revenues are derived from business tax surcharges, special assessments on property, various rents, concessions and fees, and interest earnings derived therefrom.

ENVIRONMENTAL GROWTH FUND

This fund was established in accordance with Section 103.1a of the City Charter to receive 25 percent of all monies derived from the revenues accruing to the City from gas, electricity, and steam franchises. One third of the franchise monies and the interest derived therefrom are used exclusively for the purpose of preserving and enhancing the environment of the City of San Diego. Two thirds of the franchise monies and the interest derived therefrom are used as matching funds for open space acquisition and for debt service of bonds issued by the San Diego Open Space Facilities District No. 1.

POLICE DECENTRALIZATION FUND

This fund accounts for monies allocated for Police Department decentralization expenditures for temporary facilities and to devise future capital improvement projects. Revenues are derived from sales tax allocations.

PUBLIC TRANSPORTATION FUND

This fund was established to account for funds set aside as reserves to be used for transportation-related purposes. Sales tax revenue, transient occupancy tax revenue and interest derived therefrom are the main sources of revenue.

QUALCOMM STADIUM OPERATIONS FUND

This fund accounts for the operations of the Stadium. The Stadium hosts various sporting events for its football and baseball tenants. Revenues are derived from rents, concessions and parking, and advertising fees.

SPECIAL GAS TAX STREET IMPROVEMENT FUND

This fund was established to account for the receipt of motor vehicle fuel taxes from the State under Sections 2106 and 2107 of the Streets and Highways Code. Expenditures are for the construction, improvement, maintenance, and operation of public streets and highways.

SPECIAL REVENUE FUNDS (Continued)

CITY OF SAN DIEGO (Continued)

STREET DIVISION OPERATIONS FUND

This fund was established to account for the operations of the Transportation's Street Division. Revenues are derived from Gas Tax, Transnet, and General Fund transfers, as well as revenues received for services performed by the Streets Division. Expenditures are for maintenance and operation of City streets.

TRANSIENT OCCUPANCY TAX FUND

This fund was established to receive and expend transient occupancy taxes. Since 1964, a tax has been imposed on transients of hotel and motel rooms in the City of San Diego. Effective August 1994, the tax was increased from 9% to 10.5%.

ZOOLOGICAL EXHIBITS FUND

This fund was established to collect monies from a fixed property tax levy authorized by Section 77a of the City Charter for the maintenance of zoological exhibits in Balboa Park. These funds are remitted in accordance with a contractual agreement with the San Diego Zoological Society, a not-for-profit corporation independent from the City of San Diego.

OTHER SPECIAL REVENUE - BUDGETED

This fund was established to account for revenues derived specifically for a variety of budgeted special programs administered by departments such as Police, Planning and Development Review, and Public Works. Revenues in this fund are derived from service charges, revenues from other agencies, and fines.

GRANTS FUND

This fund was established to account for revenue received from federal, state and other governmental agencies. Expenditures are made and accounted for as prescribed by appropriate grant provisions/agreements.

OTHER SPECIAL REVENUE FUND - UNBUDGETED

This fund was established to account for revenues earmarked for a variety of special programs administered by such departments as Engineering and Capital Projects, Libraries, Park and Recreation, and Police. Revenues in this fund are derived from such sources as parking fees, service charges, contributions from other agencies and private sources, and interest earnings.

SPECIAL REVENUE FUNDS (Continued)

CENTRE CITY DEVELOPMENT CORPORATION

This fund was established to account for the revenues and expenditures of the Centre City Development Corporation ("CCDC"). CCDC is a non-profit corporation that administers certain redevelopment projects in downtown San Diego and provides redevelopment advisory services to the Redevelopment Agency (the "Agency") of the City of San Diego. CCDC is primarily funded by the Agency and by the City of San Diego.

HOUSING AUTHORITY

This fund was established to account for the operations of the San Diego Housing Authority (the "Housing Authority"). The Housing Authority operates a non-profit organization, the San Diego Housing Commission, to provide rental assistance, housing, loans and other services to low income families. Revenues are received primarily from various federal and state agencies, such as the U.S. Department of Housing and Urban Development ("HUD") and the California Department of Housing and Community Development ("HCD"), for specific programs and projects.

PUBLIC FACILITIES FINANCING AUTHORITY

This fund was established to account for the activities of the Public Facilities Financing Authority (the "Authority"). The Authority is a joint powers entity of the City and the Redevelopment Agency of the City of San Diego and was created to finance and construct public capital facility improvements of the Agency or the City. The Agency special revenue account is generally used to account for revenues from the Reassessment District Bond fund and investment income used to pay for costs of issuance and administrative expenses related to debt redemption.

REDEVELOPMENT AGENCY

This fund was established to account for the activities of the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency was established to provide a method for revitalizing deteriorated and blighted areas of the City of San Diego. The Agency special revenue account is used to account for funds restricted for use for the benefit of low and moderate income housing. Funding is primarily from property tax increment revenues and the City of San Diego.

SAN DIEGO INDUSTRIAL DEVELOPMENT AUTHORITY

This fund was established to account for revenues and expenditures of the San Diego Industrial Development Authority (the "Authority"). The Authority was formed in 1983 pursuant to the California Industrial Development Financing Act for the purpose of providing an alternative method of financing to participating parties for economic development purposes, through the sale and issuance of revenue bonds. Revenues are derived from fees collected from companies applying for industrial development bond financing. Expenditures are incurred for management and administrative services provided by the City of San Diego.

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

This fund was established to account for the revenues and expenditures of the Southeastern Economic Development Corporation ("SEDC"). SEDC is a non-profit corporation that administers economic development projects within the community of Southeast San Diego and provides redevelopment advisory services to the Redevelopment Agency of the City of San Diego (the "Agency"). SEDC is primarily funded by the Agency and by the City of San Diego pursuant to operating agreements under which SEDC is reimbursed for eligible costs incurred in connection with such activities.

FINANCIAL STATEMENTS

SPECIAL REVENUE FUNDS

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	City of San Diego	Centre City Development Corporation	Housing Authority
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 138,699	\$ 11	\$ 1,039
Cash With Custodian/Fiscal Agent	237	---	---
Investments at Fair Value	81	---	24,992
Receivables:			
Taxes - Net	3,600	---	---
Accounts - Net	7,389	---	1,178
Claims - Net	14	---	---
Special Assessments - Net	433	---	---
Notes	1,773	---	50,185
Accrued Interest	971	---	3,849
Grants	8,339	---	---
Loans to Redevelopment Agency	---	431	---
From Other Funds	532	---	---
From Component Unit	---	---	---
From Other Agencies	29	---	42,170
Advances to Other Funds	8,691	---	---
Advances to Other Agencies	1,091	---	---
Land Held for Resale	---	---	---
Prepaid and Reimbursable Items and Deposits	5	2	217
Restricted Assets:			
Cash or Equity in Pooled Cash and Investments -			
Interest and Redemption Funds	---	---	687
TOTAL ASSETS	\$ 171,884	\$ 444	\$ 124,317
LIABILITIES			
Accounts Payable	\$ 2,849	\$ 44	\$ 2,557
Accrued Wages and Benefits	1,237	---	1,673
Other Accrued Liabilities	1,903	---	38,194
Due to Other Funds	4,989	---	---
Due to Component Unit	616	---	---
Due to Other Agencies	70	---	3,292
Deferred Revenue	31,971	---	54,028
Advances from Other Funds	---	400	---
Advances from Component Unit	500	---	---
Advances from Other Agencies	39	---	---
Deposits/Advances from Others	---	---	1,510
Sundry Trust Liabilities	1,322	---	---
TOTAL LIABILITIES	45,496	444	101,254
FUND EQUITY			
Fund Balances:			
Reserved for Land Held for Resale	---	---	---
Reserved for Encumbrances	17,194	---	---
Reserved for Advances and Deposits	9,088	---	---
Reserved for Debt Service	---	---	---
Reserved for Project Equity/Operations	---	---	10,385
Unreserved:			
Designated for Unrealized Gains	---	---	---
Designated for Subsequent Years' Expenditures	45,333	---	---
Undesignated	54,773	---	12,678
TOTAL FUND EQUITY	126,388	---	23,063
TOTAL LIABILITIES AND FUND EQUITY	\$ 171,884	\$ 444	\$ 124,317

Public Facilities Financing Authority	Redevelop- ment Agency	San Diego Industrial Development Authority	Southeastern Economic Development Corporation	Totals	
				1999	1998
\$ ---	\$ 104,848	\$ 41	\$ 5	\$ 244,643	\$ 214,040
---	---	---	---	237	244
175	---	---	---	25,248	21,820
---	936	---	---	4,536	4,480
---	---	---	---	8,567	6,751
---	---	---	---	14	---
---	---	---	---	433	503
---	6,390	---	---	58,348	45,504
---	1,067	---	---	5,887	5,369
---	---	---	---	8,339	7,152
---	---	---	168	599	411
---	---	---	---	532	593
---	---	---	---	---	515
---	---	---	---	42,199	40,513
---	---	---	---	8,691	7,181
---	---	---	---	1,091	1,088
---	2,155	---	---	2,155	1,380
---	---	---	3	227	155
---	---	---	---	687	512
<u>\$ 175</u>	<u>\$ 115,396</u>	<u>\$ 41</u>	<u>\$ 176</u>	<u>\$ 412,433</u>	<u>\$ 358,211</u>
\$ ---	\$ 257	\$ ---	\$ ---	\$ 5,707	\$ 5,430
---	---	---	---	2,910	2,831
---	---	---	---	40,097	36,814
62	37,430	---	---	42,481	32,517
---	---	---	---	616	508
---	---	---	---	3,362	3,936
---	6,390	---	---	92,389	69,458
---	---	---	159	559	871
---	---	---	---	500	500
---	---	---	---	39	39
---	---	---	---	1,510	8,016
---	50	---	---	1,372	193
62	44,127	---	159	191,542	161,113
---	2,155	---	---	2,155	1,380
---	8,432	---	---	25,626	35,135
---	---	---	---	9,088	6,048
---	31,637	---	---	31,637	34,181
---	---	---	---	10,385	11,766
---	---	---	---	---	263
113	28,599	15	---	74,060	53,522
---	446	26	17	67,940	54,803
113	71,269	41	17	220,891	197,098
<u>\$ 175</u>	<u>\$ 115,396</u>	<u>\$ 41</u>	<u>\$ 176</u>	<u>\$ 412,433</u>	<u>\$ 358,211</u>

**SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

	City of San Diego	Centre City Development Corporation	Housing Authority
REVENUES			
Property Taxes	\$ 3,977	\$ ---	\$ ---
Special Assessments	6,541	---	---
Sales Taxes	27,829	---	---
Other Local Taxes	74,960	---	---
Licenses and Permits	7,650	---	---
Fines, Forfeitures and Penalties	1,928	---	---
Revenue from Use of Money and Property	24,423	3	9,593
Revenue from Federal Agencies	47,089	---	69,091
Revenue from Other Agencies	22,324	---	---
Revenue from Private Sources	10,566	---	---
Charges for Current Services	10,210	---	1,973
Other Revenue	4,226	3	---
TOTAL REVENUES	241,723	6	80,657
EXPENDITURES			
Current:			
General Government	4,183	---	---
Public Safety	41,127	---	---
Libraries	2,389	---	---
Parks, Recreation and Culture	47,453	---	---
Public Works	62,647	---	---
Housing and Community Development	8,014	3,232	87,516
Public Transportation	30	---	---
Employee Relations and Special Projects	6,484	---	---
Miscellaneous and Unallocated	---	---	---
Cost of Issuance, Bonds and Notes	31	---	---
Capital Projects	1,265	---	---
Debt Service:			
Principal Retirement	1,160	---	---
Interest	1,316	---	---
TOTAL EXPENDITURES	176,099	3,232	87,516
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	65,624	(3,226)	(6,859)
OTHER FINANCING SOURCES (USES)			
Transfers from Proprietary Funds	165	---	---
Transfers from Other Funds	74,153	3,226	10,490
Transfers from Component Unit	---	---	---
Transfers to Proprietary Funds	(47)	---	---
Transfers to Other Funds	(116,080)	---	---
Transfers to Component Unit	(1,514)	---	---
Proceeds of Refunding Bonds	---	---	---
Proceeds of Tax Allocation Bonds	---	---	---
Payment to Refunding Bond Escrow Agent	(40)	---	---
TOTAL OTHER FINANCING SOURCES (USES)	(43,363)	3,226	10,490
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	22,261	---	3,631
Fund Balances at Beginning of Year	104,127	---	19,432
FUND BALANCES AT END OF YEAR	\$ 126,388	\$ ---	\$ 23,063

Public Facilities Financing Authority	Redevelop- ment Agency	San Diego Industrial Development Authority	Southeastern Economic Development Corporation	Totals	
				1999	1998
\$ ---	\$ 5,208	\$ 2	\$ ---	\$ 9,187	\$ 11,191
---	---	---	---	6,541	5,775
---	---	---	---	27,829	30,033
---	---	---	---	74,960	71,791
---	---	---	---	7,650	6,425
---	---	---	---	1,928	1,779
3	5,919	---	---	39,941	41,978
---	---	---	---	116,180	98,871
---	---	---	---	22,324	11,847
---	174	---	---	10,740	9,816
---	---	---	---	12,183	10,384
---	95	---	22	4,346	4,272
3	11,396	2	22	333,809	304,162
---	1,116	---	---	5,299	3,257
---	---	---	---	41,127	16,131
---	---	---	---	2,389	2,323
5	---	---	---	47,458	46,740
---	---	---	---	62,647	54,381
---	---	---	1,407	100,169	101,730
---	---	---	---	30	41
---	---	---	---	6,484	6,275
1,029	---	---	---	---	542
---	5,098	---	---	1,060	26
---	---	---	---	6,363	17,863
---	---	---	---	1,160	242
---	---	---	---	1,316	1,083
1,029	6,219	---	1,407	275,502	250,634
(1,026)	5,177	2	(1,385)	58,307	53,528
---	---	---	---	165	109
---	861	---	1,406	90,136	78,938
---	---	---	---	---	4,179
---	---	---	---	(47)	(470)
---	(60,756)	---	---	(176,836)	(116,068)
---	---	---	---	(1,514)	(3,415)
1,139	---	---	---	1,139	---
---	52,483	---	---	52,483	---
---	---	---	---	(40)	---
1,139	(7,412)	---	1,406	(34,514)	(36,727)
113	(2,235)	2	21	23,793	16,801
---	73,504	39	(4)	197,098	180,297
\$ 113	\$ 71,269	\$ 41	\$ 17	\$ 220,891	\$ 197,098

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	City of San Diego	
	Actual on Budgetary Basis	Budget
REVENUES		
Property Taxes	\$ 3,911	\$ 4,106
Special Assessments	6,423	7,244
Sales Taxes	27,829	38,399
Other Local Taxes	74,960	73,459
Licenses and Permits	1,034	1,220
Fines, Forfeitures and Penalties	1,789	2,089
Revenue from Use of Money and Property	17,962	16,246
Revenue from Federal Agencies	43	—
Revenue from Other Agencies	18,763	18,826
Revenue from Private Sources	55	29
Charges for Current Services	9,567	11,611
Other Revenue	859	2,356
TOTAL REVENUES	163,195	175,585
EXPENDITURES		
Current:		
General Government	1,932	1,995
Public Safety	16,095	15,750
Parks, Recreation and Culture	48,806	59,570
Public Works	54,222	67,137
Housing and Community Development	939	1,246
Public Transportation	19	510
Capital Projects	(4,094)	13,435
TOTAL EXPENDITURES	117,919	159,643
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,276	15,942
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary Funds	105	104
Transfers from Other Funds	56,715	74,140
Transfers to Proprietary Funds	(47)	(47)
Transfers to Other Funds	(98,064)	(110,820)
Transfers to Component Unit	(1,514)	(6,336)
TOTAL OTHER FINANCING SOURCES (USES)	(42,805)	(42,959)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2,471	(27,017)
Fund Balances Undesignated at July 1, 1998	36,582	36,582
Reserved for Encumbrances at July 1, 1998	16,977	16,977
Designated for Subsequent Years' Expenditures at July 1, 1998	10,857	10,857
Designated for Subsequent Years' Expenditures at June 30, 1999	(28,589)	(1,100)
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999	\$ 38,298	\$ 36,299

Centre City Development Corporation		Southeastern Economic Development Corporation		Total		
Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,911	\$ 4,106	\$ (195)
---	---	---	---	6,423	7,244	(821)
---	---	---	---	27,829	38,399	(10,570)
---	---	---	---	74,960	73,459	1,501
---	---	---	---	1,034	1,220	(186)
---	---	---	---	1,789	2,089	(300)
3	---	---	---	17,965	16,246	1,719
---	---	---	---	43	---	43
---	---	---	---	18,763	18,826	(63)
---	---	---	---	55	29	26
---	---	---	---	9,567	11,611	(2,044)
3	---	22	---	884	2,356	(1,472)
6	---	22	---	163,223	175,585	(12,362)
---	---	---	---	1,932	1,995	63
---	---	---	---	16,095	15,750	(345)
---	---	---	---	48,806	59,570	10,764
---	---	---	---	54,222	67,137	12,915
3,232	3,465	1,407	1,644	5,578	6,355	777
---	---	---	---	19	510	491
---	---	---	---	(4,094)	13,435	17,529
3,232	3,465	1,407	1,644	122,558	164,752	42,194
(3,226)	(3,465)	(1,385)	(1,644)	40,665	10,833	29,832
---	---	---	---	105	104	1
3,226	3,465	1,406	1,644	61,347	79,249	(17,902)
---	---	---	---	(47)	(47)	---
---	---	---	---	(98,064)	(110,820)	12,756
---	---	---	---	(1,514)	(6,336)	4,822
3,226	3,465	1,406	1,644	(38,173)	(37,850)	(323)
---	---	21	---	2,492	(27,017)	29,509
---	---	(4)	---	36,578	36,582	(4)
---	---	---	---	16,977	16,977	---
---	---	---	---	10,857	10,857	---
---	---	---	---	(28,589)	(1,100)	(27,489)
\$ ---	\$ ---	\$ 17	\$ ---	\$ 38,315	\$ 36,299	\$ 2,016

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Budgeted				
	Acquisition, Improvement and Operation	Environmental Growth	Police Decentral- ization	Public Trans- portation	Qualcomm Stadium Operations
ASSETS					
Cash or Equity in Pooled Cash and Investments	\$ 6,346	\$ 2,457	\$ 827	\$ 3,356	\$ 2,851
Cash With Custodian/Fiscal Agent	---	---	---	---	---
Investments at Fair Value	---	---	---	---	---
Receivables:					
Taxes - Net	---	---	---	---	---
Accounts - Net	---	1,711	---	---	1,137
Claims - Net	---	---	---	---	---
Special Assessments - Net	314	---	---	---	---
Notes	---	---	---	---	---
Accrued Interest	61	37	---	27	11
Grants	---	---	---	---	---
From Other Funds	---	---	---	---	---
From Component Unit	---	---	---	---	---
From Other Agencies	29	---	---	---	---
Advances to Other Funds	213	1,161	---	---	---
Advances to Other Agencies	---	---	---	---	---
Prepaid and Reimbursable Items and Deposits	---	---	---	---	---
TOTAL ASSETS	\$ 6,963	\$ 5,366	\$ 827	\$ 3,383	\$ 3,999
LIABILITIES					
Accounts Payable	\$ 180	\$ 9	\$ 675	\$ ---	\$ 128
Accrued Wages and Benefits	59	---	---	---	172
Other Accrued Liabilities	---	---	---	---	973
Due to Other Funds	---	---	---	---	---
Due to Component Unit	---	---	---	---	---
Due to Other Agencies	---	---	---	---	---
Deferred Revenue	257	---	---	---	193
Advances from Other Funds	---	---	---	---	---
Advances from Component Unit	---	---	---	---	---
Advances from Other Agencies	---	---	---	---	---
Deposits/Advances from Others	---	---	---	---	---
Sundry Trust Liabilities	---	---	---	---	---
TOTAL LIABILITIES	496	9	675	---	1,466
FUND EQUITY					
Fund Balances:					
Reserved for Encumbrances	805	205	---	2	350
Reserved for Advances and Deposits	213	1,161	---	---	---
Unreserved:					
Designated for Unrealized Gains	---	---	---	---	---
Designated for Subsequent Years'					
Expenditures	4	185	99	---	1,016
Undesignated	5,445	3,806	53	3,381	1,167
TOTAL FUND EQUITY	6,467	5,357	152	3,383	2,533
TOTAL LIABILITIES AND FUND EQUITY ...	\$ 6,963	\$ 5,366	\$ 827	\$ 3,383	\$ 3,999

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Special Gas Tax Street Improvement	Street Division Operations	Transient Occupancy Tax	Zoological Exhibits	Other Special Revenue	Unbudgeted		Totals	
					Grants	Other Special Revenue	1999	1998
\$ 7,418	\$ 1,222	\$ 49,386	\$ 515	\$ 3,393	\$ 16,884	\$ 44,044	\$ 138,699	\$ 112,358
---	---	---	---	---	---	237	237	244
---	---	---	---	---	---	81	81	---
---	---	3,528	43	---	---	29	3,600	3,471
1,969	13	7	---	1,757	---	795	7,389	5,806
2	12	---	---	---	---	---	14	---
---	---	---	---	---	---	119	433	503
---	---	---	---	---	428	1,345	1,773	1,771
146	---	294	---	27	177	191	971	907
---	---	---	---	---	8,339	---	8,339	7,152
---	---	532	---	---	---	---	532	---
---	---	---	---	---	---	---	---	515
---	---	---	---	---	---	---	29	18
---	5,298	1,958	---	61	---	---	8,691	7,181
---	---	269	---	---	622	200	1,091	1,088
2	---	---	---	1	2	---	5	20
<u>\$ 9,537</u>	<u>\$ 6,545</u>	<u>\$ 55,974</u>	<u>\$ 558</u>	<u>\$ 5,239</u>	<u>\$ 26,452</u>	<u>\$ 47,041</u>	<u>\$ 171,884</u>	<u>\$ 141,034</u>
\$ 16	\$ 287	\$ 356	\$ ---	\$ 82	\$ 872	\$ 244	\$ 2,849	\$ 3,324
---	751	51	---	185	19	---	1,237	1,213
---	---	---	---	---	---	930	1,903	---
---	---	4,989	---	---	---	---	4,989	593
---	---	616	---	---	---	---	616	508
---	---	---	---	---	70	---	70	104
60	25	7	---	109	21,014	10,306	31,971	23,427
---	---	---	---	---	---	---	---	150
---	---	---	---	500	---	---	500	500
---	---	---	---	---	39	---	39	39
---	---	---	---	---	---	---	---	6,906
---	---	---	---	---	1,322	---	1,322	143
76	1,063	6,019	---	876	23,336	11,480	45,496	36,907
3,256	181	5,378	---	1,956	1	5,060	17,194	23,344
---	5,298	1,958	---	61	---	397	9,088	6,048
---	---	---	---	---	---	---	---	123
5,844	3	19,649	558	1,231	79	16,665	45,333	31,073
361	---	22,970	---	1,115	3,036	13,439	54,773	43,539
9,461	5,482	49,955	558	4,363	3,116	35,561	126,388	104,127
<u>\$ 9,537</u>	<u>\$ 6,545</u>	<u>\$ 55,974</u>	<u>\$ 558</u>	<u>\$ 5,239</u>	<u>\$ 26,452</u>	<u>\$ 47,041</u>	<u>\$ 171,884</u>	<u>\$ 141,034</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	Budgeted				
	Acquisition, Improvement and Operation	Environ- mental Growth	Police Decentral- ization	Public Trans- portation	Qualcomm Stadium Operations
REVENUES					
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	6,423	—	—	—	—
Sales Taxes	820	—	8,325	—	—
Other Local Taxes	—	6,750	—	—	—
Licenses and Permits	1,034	—	—	—	—
Fines, Forfeitures and Penalties	1	—	—	—	—
Revenue from Use of Money and Property	275	172	—	253	14,479
Revenue from Federal Agencies	—	—	—	—	—
Revenue from Other Agencies	—	—	—	—	—
Revenue from Private Sources	4	—	—	—	—
Charges for Current Services	1,611	—	—	—	—
Other Revenue	116	—	2	—	106
TOTAL REVENUES	10,284	6,922	8,327	253	14,585
EXPENDITURES					
Current:					
General Government	1,000	—	—	—	295
Public Safety	—	—	7,967	—	—
Libraries	—	—	—	—	—
Parks, Recreation and Culture	98	1,159	—	—	15,176
Public Works	8,499	—	—	—	—
Housing and Community Development	939	—	—	—	—
Public Transportation	—	—	—	17	—
Employee Relations and Special Projects	—	—	—	—	—
Miscellaneous and Unallocated	—	—	—	—	—
Cost of Issuance, Bonds and Notes	—	—	—	—	—
Capital Projects	—	548	—	—	—
Debt Service:					
Principal Retirement	—	—	—	—	—
Interest	—	—	—	—	—
TOTAL EXPENDITURES	10,536	1,707	7,967	17	15,471
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(252)	5,215	360	236	(886)
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	—	—	—	—	—
Transfers from Other Funds	791	1,006	—	4,210	7,800
Transfers from Component Unit	—	—	—	—	—
Transfers to Proprietary Funds	(8)	—	—	—	(38)
Transfers to Other Funds	(45)	(7,649)	(3,102)	(6,712)	(5,770)
Transfers to Component Unit	—	—	—	—	—
Payment to Refunding Bond Escrow Agent	—	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	738	(6,643)	(3,102)	(2,502)	1,992
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	486	(1,428)	(2,742)	(2,266)	1,106
Fund Balances at Beginning of Year	5,981	6,785	2,894	5,649	1,427
FUND BALANCES AT END OF YEAR	\$ 6,467	\$ 5,357	\$ 152	\$ 3,383	\$ 2,533

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

					Unbudgeted			
Special Gas Tax Street Improvement	Street Division Operations	Transient Occupancy Tax	Zoological Exhibits	Other Special Revenue	Grants	Other Special Revenue	Totals	
							1999	1998
\$ ---	\$ ---	\$ ---	\$ 3,911	\$ ---	\$ ---	\$ 66	\$ 3,977	\$ 3,623
---	---	---	---	---	---	118	6,541	5,775
---	---	18,684	---	---	---	---	27,829	30,033
24,526	---	43,684	---	---	---	---	74,960	71,791
---	---	---	---	---	---	6,616	7,650	6,425
---	---	---	---	1,788	---	139	1,928	1,776
830	---	1,706	---	166	2,411	4,131	24,423	20,063
---	---	---	---	43	47,021	25	47,089	30,623
---	---	13,500	---	5,263	2,980	581	22,324	11,847
9	35	7	---	---	---	10,511	10,566	9,471
13	1,242	433	---	6,268	12	631	10,210	8,607
331	226	10	---	68	2,478	889	4,226	4,194
25,709	1,503	78,024	3,911	13,596	54,902	23,707	241,723	204,228
---	---	14	---	75	---	2,799	4,183	2,218
---	---	---	---	6,989	25,741	430	41,127	16,131
---	---	---	---	---	1,082	1,307	2,389	2,323
3,394	39,482	24,903	3,856	130	283	1,848	47,453	46,740
---	---	---	---	778	38	10,456	62,647	54,381
---	---	---	---	---	4,888	2,187	8,014	9,440
---	---	---	---	---	13	---	30	41
---	---	---	---	---	4,012	2,472	6,484	6,275
---	---	---	---	---	---	---	---	542
1,164	---	(10,444)	---	878	31	---	31	26
---	---	---	---	---	9,201	(82)	1,265	12,590
---	---	---	---	---	1,160	---	1,160	242
---	---	---	---	---	1,316	---	1,316	1,083
4,558	39,482	14,473	3,856	8,850	47,765	21,417	176,099	152,032
21,151	(37,979)	63,551	55	4,746	7,137	2,290	65,624	52,196
---	---	---	---	105	---	60	165	109
---	41,958	400	---	550	1,016	16,422	74,153	69,004
---	---	---	---	---	---	---	---	4,179
---	---	(1)	---	---	---	---	(47)	(470)
(28,622)	(13)	(37,386)	---	(4,943)	(7,204)	(14,634)	(116,080)	(105,697)
---	---	(1,514)	---	---	---	---	(1,514)	(3,415)
---	---	---	---	---	---	(40)	(40)	---
(28,622)	41,945	(38,501)	---	(4,288)	(6,188)	1,808	(43,363)	(36,290)
(7,471)	3,966	25,050	55	458	949	4,098	22,261	15,906
16,932	1,516	24,905	503	3,905	2,167	31,463	104,127	88,221
\$ 9,461	\$ 5,482	\$ 49,955	\$ 558	\$ 4,363	\$ 3,116	\$ 35,561	\$ 126,388	\$ 104,127

**SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)**

	Acquisition, Improvement and Operation				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	6,423	—	6,423	7,244	(821)
Sales Taxes	820	—	820	820	—
Other Local Taxes	—	—	—	—	—
Licenses and Permits	1,034	—	1,034	1,220	(186)
Fines, Forfeitures and Penalties	1	—	1	—	1
Revenue from Use of Money and Property	275	11	286	206	80
Revenue from Federal Agencies	—	—	—	—	—
Revenue from Other Agencies	—	—	—	—	—
Revenue from Private Sources	4	—	4	3	1
Charges for Current Services	1,611	—	1,611	1,974	(363)
Other Revenue	116	—	116	151	(35)
TOTAL REVENUES	10,284	11	10,295	11,618	(1,323)
EXPENDITURES					
Current:					
General Government	1,000	66	1,066	1,111	45
Public Safety	—	—	—	—	—
Parks, Recreation and Culture	98	171	269	269	—
Public Works	8,499	594	9,093	14,884	5,791
Housing and Community Development	939	—	939	1,246	307
Public Transportation	—	—	—	—	—
Capital Projects	—	—	—	—	—
TOTAL EXPENDITURES	10,536	831	11,367	17,510	6,143
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(252)	(820)	(1,072)	(5,892)	4,820
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	—	—	—	—	—
Transfers from Other Funds	791	—	791	842	(51)
Transfers to Proprietary Funds	(8)	—	(8)	(8)	—
Transfers to Other Funds	(45)	—	(45)	(45)	—
Transfers to Component Unit	—	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	738	—	738	789	(51)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 486	\$ (820)	(334)	(5,103)	4,769
Fund Balances Undesignated at July 1, 1998			4,877	4,877	—
Reserved for Encumbrances at July 1, 1998			811	811	—
Designated for Subsequent Years' Expenditures at July 1, 1998			95	95	—
Designated for Subsequent Years' Expenditures at June 30, 1999			(4)	—	(4)
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999			\$ 5,445	\$ 680	\$ 4,765

ANNUAL FINANCIAL REPORT

Environmental Growth					Police Decentralization				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
---	---	---	---	---	---	---	---	---	---
6,750	---	6,750	6,514	236	8,325	---	8,325	8,649	(324)
---	---	---	---	---	---	---	---	---	---
172	7	179	95	84	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	2	---	2	1,660	(1,658)
6,922	7	6,929	6,609	320	8,327	---	8,327	10,309	(1,982)
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
1,159	96	1,255	1,379	124	7,967	---	7,967	8,108	141
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
548	109	657	843	186	---	---	---	---	---
1,707	205	1,912	2,222	310	7,967	---	7,967	8,108	141
---	---	---	---	---	---	---	---	---	---
5,215	(198)	5,017	4,387	630	360	---	360	2,201	(1,841)
---	---	---	---	---	---	---	---	---	---
1,006	---	1,006	740	266	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
(7,649)	288	(7,361)	(7,650)	289	(3,102)	---	(3,102)	(3,102)	---
---	---	---	---	---	---	---	---	---	---
(6,643)	288	(6,355)	(6,910)	555	(3,102)	---	(3,102)	(3,102)	---
---	---	---	---	---	---	---	---	---	---
\$ (1,428)	\$ 90	(1,338)	(2,523)	1,185	\$ (2,742)	\$ ---	(2,742)	(901)	(1,841)
---	---	---	---	---	---	---	---	---	---
---	---	4,418	4,418	---	---	---	2,883	2,883	---
---	---	737	737	---	---	---	11	11	---
---	---	174	174	---	---	---	---	---	---
---	---	(185)	---	(185)	---	---	(99)	---	(99)
---	---	\$ 3,806	\$ 2,806	\$ 1,000	---	---	\$ 53	\$ 1,993	\$ (1,940)

Continued on next page

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

Public Transportation					
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Special Assessments	---	---	---	---	---
Sales Taxes	---	---	---	---	---
Other Local Taxes	---	---	---	---	---
Licenses and Permits	---	---	---	---	---
Fines, Forfeitures and Penalties	---	---	---	---	---
Revenue from Use of Money and Property	253	11	264	250	14
Revenue from Federal Agencies	---	---	---	---	---
Revenue from Other Agencies	---	---	---	---	---
Revenue from Private Sources	---	---	---	---	---
Charges for Current Services	---	---	---	---	---
Other Revenue	---	---	---	---	---
TOTAL REVENUES	<u>253</u>	<u>11</u>	<u>264</u>	<u>250</u>	<u>14</u>
EXPENDITURES					
Current:					
General Government	---	---	---	---	---
Public Safety	---	---	---	---	---
Parks, Recreation and Culture	---	---	---	---	---
Public Works	---	---	---	---	---
Housing and Community Development	---	---	---	---	---
Public Transportation	17	2	19	510	491
Capital Projects	---	---	---	---	---
TOTAL EXPENDITURES	<u>17</u>	<u>2</u>	<u>19</u>	<u>510</u>	<u>491</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>236</u>	<u>9</u>	<u>245</u>	<u>(260)</u>	<u>505</u>
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	---	---	---	---	---
Transfers from Other Funds	4,210	---	4,210	4,210	---
Transfers to Proprietary Funds	---	---	---	---	---
Transfers to Other Funds	(6,712)	---	(6,712)	(6,712)	---
Transfers to Component Unit	---	---	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,502)</u>	<u>---</u>	<u>(2,502)</u>	<u>(2,502)</u>	<u>---</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (2,266)</u>	<u>\$ 9</u>	<u>(2,257)</u>	<u>(2,762)</u>	<u>505</u>
Fund Balances Undesignated at July 1, 1998			5,636	5,636	---
Reserved for Encumbrances at July 1, 1998			2	2	---
Designated for Subsequent Years' Expenditures at July 1, 1998			---	---	---
Designated for Subsequent Years' Expenditures at June 30, 1999			---	---	---
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999			<u>\$ 3,381</u>	<u>\$ 2,876</u>	<u>\$ 505</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Qualcomm Stadium Operations					Special Gas Tax Street Improvement				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	24,526	---	24,526	24,496	30
---	---	---	---	---	---	---	---	---	---
14,479	---	14,479	14,830	(351)	830	32	862	812	50
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	9	---	9	---	9
106	---	106	27	79	13	---	13	---	13
14,585	---	14,585	14,857	(272)	331	---	331	480	(149)
					25,709	32	25,741	25,788	(47)
295	---	295	295	---	---	---	---	---	---
15,176	350	15,526	15,526	---	---	---	---	---	---
---	---	---	---	---	3,394	(2,854)	540	859	319
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	1,164	95	1,259	6,788	5,529
15,471	350	15,821	15,821	---	4,558	(2,759)	1,799	7,647	5,848
(886)	(350)	(1,236)	(964)	(272)	21,151	2,791	23,942	18,141	5,801
---	---	---	---	---	---	---	---	---	---
7,800	---	7,800	7,800	---	---	---	---	---	---
(38)	---	(38)	(38)	---	---	---	---	---	---
(5,770)	---	(5,770)	(5,770)	---	(28,622)	(3,098)	(31,720)	(32,040)	320
---	---	---	---	---	---	---	---	---	---
1,992	---	1,992	1,992	---	(28,622)	(3,098)	(31,720)	(32,040)	320
\$ 1,106	\$ (350)	756	1,028	(272)	\$ (7,471)	\$ (307)	(7,778)	(13,899)	6,121
		139	139	---			6,433	6,433	---
		288	288	---			7,471	7,471	---
		1,000	1,000	---			79	79	---
		(1,016)	---	(1,016)			(5,844)	---	(5,844)
		\$ 1,167	\$ 2,455	\$ (1,288)			\$ 361	\$ 84	\$ 277

Continued on next page

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Street Division Operations				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—
Sales Taxes	—	—	—	—	—
Other Local Taxes	—	—	—	—	—
Licenses and Permits	—	—	—	—	—
Fines, Forfeitures and Penalties	—	—	—	—	—
Revenue from Use of Money and Property	—	—	—	—	—
Revenue from Federal Agencies	—	—	—	—	—
Revenue from Other Agencies	—	—	—	—	—
Revenue from Private Sources	35	—	35	20	15
Charges for Current Services	1,242	—	1,242	869	373
Other Revenue	226	—	226	—	226
TOTAL REVENUES	1,503	—	1,503	889	614
EXPENDITURES					
Current:					
General Government	—	—	—	—	—
Public Safety	—	—	—	—	—
Parks, Recreation and Culture	—	—	—	—	—
Public Works	39,482	4,091	43,573	50,129	6,556
Housing and Community Development	—	—	—	—	—
Public Transportation	—	—	—	—	—
Capital Projects	—	—	—	—	—
TOTAL EXPENDITURES	39,482	4,091	43,573	50,129	6,556
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(37,979)	(4,091)	(42,070)	(49,240)	7,170
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	—	—	—	—	—
Transfers from Other Funds	41,958	—	41,958	49,125	(7,167)
Transfers to Proprietary Funds	—	—	—	—	—
Transfers to Other Funds	(13)	—	(13)	(13)	—
Transfers to Component Unit	—	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	41,945	—	41,945	49,112	(7,167)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 3,966	\$ (4,091)	(125)	(128)	3
Fund Balances Undesignated at July 1, 1998			128	128	—
Reserved for Encumbrances at July 1, 1998			—	—	—
Designated for Subsequent Years' Expenditures at July 1, 1998			—	—	—
Designated for Subsequent Years' Expenditures at June 30, 1999			(3)	—	(3)
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999	\$ —	\$ —	\$ —	\$ —	\$ —

Transient Occupancy Tax					Zoological Exhibits				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 3,911	\$ ---	\$ 3,911	\$ 4,106	\$ (195)
18,684	---	18,684	28,930	(10,246)	---	---	---	---	---
43,684	---	43,684	42,449	1,235	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
1,706	18	1,724	33	1,691	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
13,500	---	13,500	13,500	---	---	---	---	---	---
7	---	7	6	1	---	---	---	---	---
433	---	433	461	(28)	---	---	---	---	---
10	---	10	10	---	---	---	---	---	---
78,024	18	78,042	85,389	(7,347)	3,911	---	3,911	4,106	(195)
14	---	14	14	---	---	---	---	---	---
24,903	2,866	27,769	38,290	10,521	3,856	---	3,856	4,106	250
---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---
(10,444)	3,458	(6,986)	2,720	9,706	---	---	---	---	---
14,473	6,324	20,797	41,024	20,227	3,856	---	3,856	4,106	250
63,551	(6,306)	57,245	44,365	12,880	55	---	55	---	55
---	---	---	---	---	---	---	---	---	---
400	---	400	10,873	(10,473)	---	---	---	---	---
(1)	---	(1)	(1)	---	---	---	---	---	---
(37,386)	(1,012)	(38,398)	(50,545)	12,147	---	---	---	---	---
(1,514)	---	(1,514)	(6,336)	4,822	---	---	---	---	---
(38,501)	(1,012)	(39,513)	(46,009)	6,496	---	---	---	---	---
\$ 25,050	\$ (7,318)	17,732	(1,644)	19,376	\$ 55	\$ ---	55	---	55
		10,331	10,331	---			---	---	---
		6,991	6,991	---			---	---	---
		7,565	7,565	---			503	503	---
		(19,649)	---	(19,649)			(558)	---	(558)
		\$ 22,970	\$ 23,243	\$ (273)			\$ ---	\$ 503	\$ (503)

Continued on next page

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

		Other Special Revenue			
		Adjustment	Actual on		Variance
	Actual	to	Budgetary	Budget	Favorable
		Budgetary	Basis		(Unfavorable)
		Basis			
REVENUES					
Property Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Special Assessments	—	—	—	—	—
Sales Taxes	—	—	—	—	—
Other Local Taxes	—	—	—	—	—
Licenses and Permits	—	—	—	—	—
Fines, Forfeitures and Penalties	1,788	—	1,788	2,089	(301)
Revenue from Use of Money and Property	166	2	168	20	148
Revenue from Federal Agencies	43	—	43	—	43
Revenue from Other Agencies	5,263	—	5,263	5,326	(63)
Revenue from Private Sources	—	—	—	—	—
Charges for Current Services	6,268	—	6,268	8,307	(2,039)
Other Revenue	68	—	68	28	40
TOTAL REVENUES	13,596	2	13,598	15,770	(2,172)
EXPENDITURES					
Current:					
General Government	75	482	557	575	18
Public Safety	6,989	1,139	8,128	7,642	(486)
Parks, Recreation and Culture	130	1	131	—	(131)
Public Works	778	238	1,016	1,265	249
Housing and Community Development	—	—	—	—	—
Public Transportation	—	—	—	—	—
Capital Projects	878	98	976	3,084	2,108
TOTAL EXPENDITURES	8,850	1,958	10,808	12,566	1,758
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	4,746	(1,956)	2,790	3,204	(414)
OTHER FINANCING SOURCES (USES)					
Transfers from Proprietary Funds	105	—	105	104	1
Transfers from Other Funds	550	—	550	550	—
Transfers to Proprietary Funds	—	—	—	—	—
Transfers to Other Funds	(4,943)	—	(4,943)	(4,943)	—
Transfers to Component Unit	—	—	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	(4,288)	—	(4,288)	(4,289)	1
EXCESS (DEFICIENCY) OF REVENUES AND					
OTHER FINANCING SOURCES OVER					
EXPENDITURES AND OTHER FINANCING USES	\$ 458	\$ (1,956)	(1,498)	(1,085)	(413)
Fund Balances Undesignated at July 1, 1998			1,737	1,737	—
Reserved for Encumbrances at July 1, 1998			666	666	—
Designated for Subsequent Years' Expenditures at July 1, 1998			1,441	1,441	—
Designated for Subsequent Years' Expenditures at June 30, 1999			(1,231)	(1,100)	(131)
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999	\$ 1,115	\$ 1,659	\$ (544)		

Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 3,911	\$ —	\$ 3,911	\$ 4,106	\$ (195)
6,423	—	6,423	7,244	(821)
27,829	—	27,829	38,399	(10,570)
74,960	—	74,960	73,459	1,501
1,034	—	1,034	1,220	(186)
1,789	—	1,789	2,089	(300)
17,881	81	17,962	16,246	1,716
43	—	43	—	43
18,763	—	18,763	18,826	(63)
55	—	55	29	26
9,567	—	9,567	11,611	(2,044)
859	—	859	2,356	(1,497)
<u>163,114</u>	<u>81</u>	<u>163,195</u>	<u>175,585</u>	<u>(12,390)</u>
1,384	548	1,932	1,995	63
14,956	1,139	16,095	15,750	(345)
45,322	3,484	48,806	59,570	10,764
52,153	2,069	54,222	67,137	12,915
939	—	939	1,246	307
17	2	19	510	491
(7,854)	3,760	(4,094)	13,435	17,529
<u>106,917</u>	<u>11,002</u>	<u>117,919</u>	<u>159,643</u>	<u>41,724</u>
<u>56,197</u>	<u>(10,921)</u>	<u>45,276</u>	<u>15,942</u>	<u>29,334</u>
105	—	105	104	1
56,715	—	56,715	74,140	(17,425)
(47)	—	(47)	(47)	—
(94,242)	(3,822)	(98,064)	(110,820)	12,756
(1,514)	—	(1,514)	(6,336)	4,822
<u>(38,983)</u>	<u>(3,822)</u>	<u>(42,805)</u>	<u>(42,959)</u>	<u>154</u>
<u>\$ 17,214</u>	<u>\$ (14,743)</u>	2,471	(27,017)	29,488
		36,582	36,582	—
		16,977	16,977	—
		10,857	10,857	—
		<u>(28,589)</u>	<u>(1,100)</u>	<u>(27,489)</u>
		<u>\$ 38,298</u>	<u>\$ 36,299</u>	<u>\$ 1,999</u>

**SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
ENVIRONMENTAL GROWTH FUND
BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Two-Thirds Requirement	One-Third Requirement	Totals	
			1999	1998
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 2,422	\$ 35	\$ 2,457	\$ 3,554
Receivables:				
Accounts - Net	1,141	570	1,711	1,767
Accrued Interest	24	13	37	32
Advances to Other Funds	935	226	1,161	1,449
TOTAL ASSETS	<u>\$ 4,522</u>	<u>\$ 844</u>	<u>\$ 5,366</u>	<u>\$ 6,802</u>
LIABILITIES				
Accounts Payable	\$ ---	\$ 9	\$ 9	\$ 17
TOTAL LIABILITIES	<u>---</u>	<u>9</u>	<u>9</u>	<u>17</u>
FUND EQUITY				
Fund Balances:				
Reserved for Encumbrances	---	205	205	737
Reserved for Advances and Deposits	935	226	1,161	1,449
Unreserved:				
Designated for Unrealized Gains	---	---	---	7
Designated for Subsequent Years' Expenditures	---	185	185	174
Undesignated	3,587	219	3,806	4,418
TOTAL FUND EQUITY	<u>4,522</u>	<u>835</u>	<u>5,357</u>	<u>6,785</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,522</u>	<u>\$ 844</u>	<u>\$ 5,366</u>	<u>\$ 6,802</u>

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

	Two-Thirds Requirement	One-Third Requirement	Totals	
			1999	1998
REVENUES				
Sales Taxes	\$ ---	\$ ---	\$ ---	\$ 1,534
Other Local Taxes	4,498	2,252	6,750	7,438
Revenue from Use of Money and Property	115	57	172	132
Other Revenue	---	---	---	31
TOTAL REVENUES	<u>4,613</u>	<u>2,309</u>	<u>6,922</u>	<u>9,135</u>
EXPENDITURES				
Current:				
Parks, Recreation and Culture	---	1,159	1,159	1,204
Capital Projects	---	548	548	131
TOTAL EXPENDITURES	<u>---</u>	<u>1,707</u>	<u>1,707</u>	<u>1,335</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,613</u>	<u>602</u>	<u>5,215</u>	<u>7,800</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	1,006	---	1,006	1,313
Transfers to Other Funds	(6,549)	(1,100)	(7,649)	(7,834)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,543)</u>	<u>(1,100)</u>	<u>(6,643)</u>	<u>(6,521)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(930)</u>	<u>(498)</u>	<u>(1,428)</u>	<u>1,279</u>
Fund Balances at Beginning of Year	5,452	1,333	6,785	5,506
FUND BALANCES AT END OF YEAR	<u>\$ 4,522</u>	<u>\$ 835</u>	<u>\$ 5,357</u>	<u>\$ 6,785</u>



SPECIAL REVENUE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
ENVIRONMENTAL GROWTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Two-Thirds Requirement				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Other Local Taxes	\$ 4,498	\$ ---	\$ 4,498	\$ 4,343	\$ 155
Revenue from Use of Money and Property	115	6	121	50	71
TOTAL REVENUES	<u>4,613</u>	<u>6</u>	<u>4,619</u>	<u>4,393</u>	<u>226</u>
EXPENDITURES					
Current:					
Parks, Recreation and Culture	---	---	---	---	---
Capital Projects	---	---	---	---	---
TOTAL EXPENDITURES	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,613</u>	<u>6</u>	<u>4,619</u>	<u>4,393</u>	<u>226</u>
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	1,006	---	1,006	740	266
Transfers to Other Funds	(6,549)	288	(6,261)	(6,550)	289
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,543)</u>	<u>288</u>	<u>(5,255)</u>	<u>(5,810)</u>	<u>555</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (930)</u>	<u>\$ 294</u>	<u>(636)</u>	<u>(1,417)</u>	<u>781</u>
Fund Balances Undesignated at July 1, 1998			4,223	4,223	---
Reserved for Encumbrances at July 1, 1998			---	---	---
Designated for Subsequent Years' Expenditures at July 1, 1998			---	---	---
Designated for Subsequent Years' Expenditures at June 30, 1999			---	---	---
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999	<u>\$ 3,587</u>	<u>\$ 2,806</u>	<u>\$ 781</u>		

One-Third Requirement					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 2,252	\$ ---	\$ 2,252	\$ 2,171	\$ 81	\$ 6,750	\$ ---	\$ 6,750	\$ 6,514	\$ 236
57	1	58	45	13	172	7	179	95	84
2,309	1	2,310	2,216	94	6,922	7	6,929	6,609	320
1,159	96	1,255	1,379	124	1,159	96	1,255	1,379	124
548	109	657	843	186	548	109	657	843	186
1,707	205	1,912	2,222	310	1,707	205	1,912	2,222	310
602	(204)	398	(6)	404	5,215	(198)	5,017	4,387	630
---	---	---	---	---	1,006	---	1,006	740	266
(1,100)	---	(1,100)	(1,100)	---	(7,649)	288	(7,361)	(7,650)	289
(1,100)	---	(1,100)	(1,100)	---	(6,643)	288	(6,355)	(6,910)	555
<u>\$ (498)</u>	<u>\$ (204)</u>	(702)	(1,106)	404	<u>\$ (1,428)</u>	<u>\$ 90</u>	(1,338)	(2,523)	1,185
		195	195	---			4,418	4,418	---
		737	737	---			737	737	---
		174	174	---			174	174	---
		(185)	---	(185)			(185)	---	(185)
		<u>\$ 219</u>	<u>\$ ---</u>	<u>\$ 219</u>			<u>\$ 3,806</u>	<u>\$ 2,806</u>	<u>\$ 1,000</u>



DEBT SERVICE FUNDS

DEBT SERVICE FUNDS ARE USED TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES FOR, AND THE PAYMENT OF, GENERAL LONG-TERM DEBT PRINCIPAL, INTEREST AND RELATED COSTS.

CITY OF SAN DIEGO

The following funds are included in the City of San Diego Reporting Entity:

PRE-ARRAIGNMENT DETENTION FACILITY

This fund was established to account for the payment of principal and interest and to maintain a reserve for certificates of participation issued in fiscal year 1992. The certificates were issued to fund construction of a misdemeanor pre-arraignment detention facility. Certificate payments are made from funds appropriated during the annual budget process. The reserve is to be used only in the event there are insufficient funds available to pay the annual principal or interest requirement.

PUBLIC SAFETY COMMUNICATIONS PROJECT

This fund was established to account for the payment of principal and interest on general obligation bonds issued in 1991. These bonds are serviced by property taxes.

OTHER SPECIAL ASSESSMENTS FUNDS

These funds were established to account for the payment of principal and interest for bonds issued under the Improvement Bond Act of 1915 and the Mello-Roos Community Facilities District Act of 1982. These bonds are serviced by assessments and special taxes levied on property owners within each assessment area.

CITY OF SAN DIEGO/METROPOLITAN TRANSIT DEVELOPMENT BOARD AUTHORITY

This fund was established to account for the debt service activities of the City of San Diego/ Metropolitan Transit Development Board Authority (the "Authority") Joint Powers Agency. The Authority was created to acquire, construct, maintain and operate public transit facilities. The Authority debt service fund is used to account for the payment of long-term debt principal and interest. This fund is serviced by investment income, lease payments from the City of San Diego, and proceeds from lease revenue bonds and certificates of participation.

CONVENTION CENTER EXPANSION FINANCING AUTHORITY

This fund was established to account for the debt service activities of the Convention Center Expansion Financing Authority (the "Authority"). The Authority is a joint powers entity of the City of San Diego and the San Diego Unified Port District and was established to finance, acquire and construct an expansion to the existing convention center. The Authority debt service fund is used to account for the payment of long-term debt principal and interest.

DEBT SERVICE FUNDS (Continued)

PUBLIC FACILITIES FINANCING AUTHORITY

This fund was established to account for the debt service activities of the Public Facilities Financing Authority (the "Authority"). The Authority is a joint powers entity of the City of San Diego and the Redevelopment Agency of the City of San Diego and was created to finance and construct public capital facility improvements of the Agency or the City. The Authority debt service fund is used to account for the payment of long-term debt principal and interest.

REDEVELOPMENT AGENCY

This fund was established to account for the debt service activities of the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency was established to provide a method for revitalizing deteriorated and blighted areas of the City of San Diego. This fund is serviced by property tax increments, sale of real estate, and investment income.

SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION

This fund was established to account for the debt service activities of the San Diego Facilities and Equipment Leasing Corporation (the "Corporation"). The Corporation was established to acquire and lease to the City of San Diego real and personal property to be used in the municipal operations of the City. Lease payments are made by the City from annual appropriations payable out of any source of legally available funds.

SAN DIEGO OPEN SPACE PARK FACILITIES DISTRICT #1

The San Diego Open Space Park Facilities District #1 was established for the purpose of acquiring open space properties to implement the Open Space Element of the City of San Diego General Plan. This fund was established to account for financial resources accumulated for the payment of long-term debt principal and interest. This fund is serviced by City contributions and investment income.

FINANCIAL STATEMENTS

DEBT SERVICE FUNDS

**DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	City of San Diego	City of San Diego/ MTDB Authority	Convention Center Expansion Financing Authority
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 6,254	\$ ---	\$ ---
Cash With Custodian/Fiscal Agent	979	---	---
Investments at Fair Value	9,811	11,638	7,267
Receivables:			
Taxes - Net	27	---	---
Special Assessments - Net	594	---	---
Accrued Interest	57	---	---
From Other Agencies	---	---	---
Prepaid and Reimbursable Items and Deposits	---	---	---
TOTAL ASSETS	<u>\$ 17,722</u>	<u>\$ 11,638</u>	<u>\$ 7,267</u>
LIABILITIES			
Accounts Payable	\$ ---	\$ ---	\$ ---
Matured Bonds, Notes and Interest Payable	2	---	---
Deferred Revenue	530	---	---
Advances From Other Funds	---	---	---
TOTAL LIABILITIES	<u>532</u>	<u>---</u>	<u>---</u>
FUND EQUITY			
Fund Balances:			
Reserved for Debt Service	17,190	11,638	7,267
Unreserved:			
Designated for Unrealized Gains	---	---	---
TOTAL FUND EQUITY	<u>17,190</u>	<u>11,638</u>	<u>7,267</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 17,722</u>	<u>\$ 11,638</u>	<u>\$ 7,267</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities and Equipment Leasing Corporation	San Diego Open Space Park Facilities District #1	Totals	
				1999	1998
\$ ---	\$ 230	\$ ---	\$ 1,697	\$ 8,181	\$ 10,668
---	15,459	---	---	16,438	11,656
64,283	8,520	33,234	---	134,753	104,857
---	1	---	---	28	33
---	---	---	---	594	797
---	---	---	15	72	131
1,186,375	---	---	---	1,186,375	887,185
---	---	---	---	---	27
<u>\$ 1,250,658</u>	<u>\$ 24,210</u>	<u>\$ 33,234</u>	<u>\$ 1,712</u>	<u>\$ 1,346,441</u>	<u>\$ 1,015,354</u>
\$ ---	\$ 15	\$ ---	\$ ---	\$ 15	\$ ---
---	---	---	---	2	3
1,186,375	---	---	---	1,186,905	887,872
---	---	---	934	934	1,223
<u>1,186,375</u>	<u>15</u>	<u>---</u>	<u>934</u>	<u>1,187,856</u>	<u>889,098</u>
64,283	24,195	32,659	778	158,010	126,102
---	---	575	---	575	154
<u>64,283</u>	<u>24,195</u>	<u>33,234</u>	<u>778</u>	<u>158,585</u>	<u>126,256</u>
<u>\$ 1,250,658</u>	<u>\$ 24,210</u>	<u>\$ 33,234</u>	<u>\$ 1,712</u>	<u>\$ 1,346,441</u>	<u>\$ 1,015,354</u>

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	City of San Diego	City of San Diego/ MTDB Authority	Convention Center Expansion Financing Authority
REVENUES			
Property Taxes	\$ 2,328	\$ ---	\$ ---
Special Assessments	13,089	---	---
Revenue from Use of Money and Property	833	655	437
Revenue from Other Agencies	---	---	---
TOTAL REVENUES	<u>16,250</u>	<u>655</u>	<u>437</u>
EXPENDITURES			
Current:			
General Government	83	---	---
Cost of Issuance, Bonds and Notes	86	---	---
Debt Service:			
Principal Retirement	5,840	5,595	---
Interest	6,332	3,658	5,647
TOTAL EXPENDITURES	<u>12,341</u>	<u>9,253</u>	<u>5,647</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,909</u>	<u>(8,598)</u>	<u>(5,210)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	1,489	8,318	5,217
Transfers to Other Funds	(440)	---	(21)
Proceeds of Refunding Bonds	42,670	---	---
Proceeds of Revenue Bonds.....	---	---	7,281
Proceeds of Tax Allocation Bonds	---	---	---
Payment to Refunding Bond Escrow Agent	(55,928)	---	---
Payment to Tax Allocation Bond Escrow Agent	---	---	---
TOTAL OTHER FINANCING SOURCES (USES)	<u>(12,209)</u>	<u>8,318</u>	<u>12,477</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(8,300)</u>	<u>(280)</u>	<u>7,267</u>
Fund Balances at Beginning of Year	25,490	11,918	---
FUND BALANCES AT END OF YEAR	<u>\$ 17,190</u>	<u>\$ 11,638</u>	<u>\$ 7,267</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities and Equipment Leasing Corporation	San Diego Open Space Park Facilities District #1	Totals	
				1999	1998
\$ ---	\$ 12,023	\$ ---	\$ ---	\$ 14,351	\$ 12,476
---	---	---	---	13,089	11,798
3,087	909	1,586	181	7,688	8,013
52,534	---	8,480	---	61,014	53,589
55,621	12,932	10,066	181	96,142	85,876
---	---	---	---	83	2,069
---	1,297	---	1	1,384	8
16,220	4,410	2,875	3,370	38,310	42,270
46,087	6,782	12,822	3,179	84,507	76,250
62,307	12,489	15,697	6,550	124,284	120,597
(6,686)	443	(5,631)	(6,369)	(28,142)	(34,721)
5,770	410	6,325	6,549	34,078	29,568
(56,731)	(245)	(39)	---	(57,476)	(1,449)
---	---	---	---	42,670	---
58,100	---	26,259	---	91,640	---
---	13,656	---	---	13,656	---
---	---	---	---	(55,928)	---
---	(8,169)	---	---	(8,169)	---
7,139	5,652	32,545	6,549	60,471	28,119
453	6,095	26,914	180	32,329	(6,602)
63,830	18,100	6,320	598	126,256	132,858
\$ 64,283	\$ 24,195	\$ 33,234	\$ 778	\$ 158,585	\$ 126,256

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**DEBT SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Budgeted Pre-Arrestment Detention Facility
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ ---
Cash With Custodian/Fiscal Agent	979
Investments at Fair Value	---
Receivables:	
Taxes - Net	---
Special Assessments - Net	---
Accrued Interest	---
TOTAL ASSETS	\$ 979
LIABILITIES	
Matured Bonds, Notes and Interest Payable	\$ ---
Deferred Revenue	---
TOTAL LIABILITIES	---
FUND EQUITY	
Fund Balances:	
Reserved for Debt Service	979
Unreserved:	
Designated for Unrealized Gains	---
TOTAL FUND EQUITY	979
TOTAL LIABILITIES AND FUND EQUITY	\$ 979

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

REVENUES	
Property Taxes	\$ ---
Special Assessments	---
Revenue from Use of Money and Property	95
TOTAL REVENUES	95
EXPENDITURES	
Current:	
General Government	---
Cost of Issuance, Bonds and Notes	---
Debt Service:	
Principal Retirement	800
Interest	360
TOTAL EXPENDITURES	1,160
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,065)
OTHER FINANCING SOURCES (USES)	
Transfers from Other Funds	1,069
Transfers to Other Funds	---
Proceeds of Refunding Bonds	---
Payment to Refunding Bond Escrow Agent	---
TOTAL OTHER FINANCING SOURCES (USES)	1,069
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	4
Fund Balances at Beginning of Year	975
FUND BALANCES AT END OF YEAR	\$ 979

Budgeted Public Safety Communications Project	Unbudgeted Other Special Assessments	Totals	
		1999	1998
\$ 1,901	\$ 4,353	\$ 6,254	\$ 8,247
---	---	979	975
---	9,811	9,811	16,024
27	---	27	31
---	594	594	797
17	40	57	106
<u>\$ 1,945</u>	<u>\$ 14,798</u>	<u>\$ 17,722</u>	<u>\$ 26,180</u>
\$ ---	\$ 2	\$ 2	\$ 3
---	530	530	687
---	532	532	690
1,945	14,266	17,190	25,473
---	---	---	17
<u>1,945</u>	<u>14,266</u>	<u>17,190</u>	<u>25,490</u>
<u>\$ 1,945</u>	<u>\$ 14,798</u>	<u>\$ 17,722</u>	<u>\$ 26,180</u>
\$ 2,328	\$ ---	\$ 2,328	\$ 2,478
---	13,089	13,089	11,798
54	684	833	1,184
<u>2,382</u>	<u>13,773</u>	<u>16,250</u>	<u>15,460</u>
1	82	83	2,060
---	86	86	---
975	4,065	5,840	9,520
1,386	4,586	6,332	10,858
<u>2,362</u>	<u>8,819</u>	<u>12,341</u>	<u>22,438</u>
20	4,954	3,909	(6,978)
---	420	1,489	1,267
---	(440)	(440)	(39)
---	42,670	42,670	---
---	(55,928)	(55,928)	---
---	(13,278)	(12,209)	1,228
20	(8,324)	(8,300)	(5,750)
<u>1,925</u>	<u>22,590</u>	<u>25,490</u>	<u>31,240</u>
<u>\$ 1,945</u>	<u>\$ 14,266</u>	<u>\$ 17,190</u>	<u>\$ 25,490</u>

DEBT SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
Year Ended June 30, 1999
(In Thousands)

	Pre Arraignment Detention Facility				
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Property Taxes	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
Revenue from Use of Money and Property	95	---	95	95	---
TOTAL REVENUES	95	---	95	95	---
EXPENDITURES					
Current:					
General Government	---	---	---	---	---
Debt Service:					
Principal Retirement	800	---	800	800	---
Interest	360	---	360	360	---
TOTAL EXPENDITURES	1,160	---	1,160	1,160	---
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,065)	---	(1,065)	(1,065)	---
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	1,069	---	1,069	1,069	---
TOTAL OTHER FINANCING SOURCES (USES)	1,069	---	1,069	1,069	---
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 4	\$ ---	4	4	---
Reserved for Debt Service at July 1, 1998			975	975	---
Reserved for Debt Service at June 30, 1999			(979)	(979)	---
FUND BALANCES UNDESIGNATED AT JUNE 30, 1999	\$ ---	\$ ---	\$ ---	\$ ---	---

Public Safety Communications Project					Total				
Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
\$ 2,328	\$ —	\$ 2,328	\$ 2,072	\$ 256	\$ 2,328	\$ —	\$ 2,328	\$ 2,072	\$ 256
54	4	58	—	58	149	4	153	95	58
2,382	4	2,386	2,072	314	2,477	4	2,481	2,167	314
1	—	1	1	—	1	—	1	1	—
975	—	975	975	—	1,775	—	1,775	1,775	—
1,386	—	1,386	1,386	—	1,746	—	1,746	1,746	—
2,362	—	2,362	2,362	—	3,522	—	3,522	3,522	—
20	4	24	(290)	314	(1,045)	4	(1,041)	(1,355)	314
—	—	—	—	—	1,069	—	1,069	1,069	—
—	—	—	—	—	1,069	—	1,069	1,069	—
\$ 20	\$ 4	24	(290)	314	\$ 24	\$ 4	28	(286)	314
		1,921	1,921	—			2,896	2,896	—
		(1,945)	(1,631)	(314)			(2,924)	(2,610)	(314)
		\$ —	\$ —	\$ —			\$ —	\$ —	\$ —

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**DEBT SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
OTHER SPECIAL ASSESSMENTS FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Alta Vista	Black Mountain Road	Calle Cristobal
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 9	\$ ---	\$ ---
Investments at Fair Value	7	---	---
Receivables:			
Special Assessments - Net	---	---	---
Accrued Interest	---	---	---
TOTAL ASSETS	<u>\$ 16</u>	<u>\$ ---</u>	<u>\$ ---</u>
LIABILITIES			
Matured Bonds, Notes and Interest Payable	\$ ---	\$ ---	\$ ---
Deferred Revenue	---	---	---
TOTAL LIABILITIES	<u>---</u>	<u>---</u>	<u>---</u>
FUND EQUITY			
Fund Balances:			
Reserved for Debt Service	16	---	---
Unreserved:			
Designated for Unrealized Gains	---	---	---
TOTAL FUND EQUITY	<u>16</u>	<u>---</u>	<u>---</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 16</u>	<u>\$ ---</u>	<u>\$ ---</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

REVENUES			
Special Assessments	\$ ---	\$ 805	\$ 1,132
Revenue from Use of Money and Property	1	18	51
TOTAL REVENUES	<u>1</u>	<u>823</u>	<u>1,183</u>
EXPENDITURES			
Current:			
General Government	---	---	20
Cost of Issuance, Bonds and Notes	---	---	---
Debt Service:			
Principal Retirement	---	125	720
Interest	---	168	456
TOTAL EXPENDITURES	<u>---</u>	<u>293</u>	<u>1,196</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1</u>	<u>530</u>	<u>(13)</u>
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	---	---	---
Transfers to Other Funds	---	(66)	(127)
Proceeds of Refunding Bonds	---	---	---
Payment to Refunding Bond Escrow Agent	---	(1,304)	(2,748)
TOTAL OTHER FINANCING SOURCES (USES)	<u>---</u>	<u>(1,370)</u>	<u>(2,875)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>1</u>	<u>(840)</u>	<u>(2,888)</u>
Fund Balances at Beginning of Year	15	840	2,888
FUND BALANCES AT END OF YEAR	<u>\$ 16</u>	<u>\$ ---</u>	<u>\$ ---</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

De La Fuente Phase I	De La Fuente Phase II	FSDRIP	Int'l Business Center	Reassessment District No. 1999-1	Lopez Canyon	Miramar Ranch North
\$ 443	\$ 412	\$ ---	\$ 234	\$ 2,424	\$ 73	\$ 196
441	544	---	1,240	265	27	7,169
49	314	---	32	53	2	119
4	4	---	2	25	1	---
<u>\$ 937</u>	<u>\$ 1,274</u>	<u>\$ ---</u>	<u>\$ 1,508</u>	<u>\$ 2,767</u>	<u>\$ 103</u>	<u>\$ 7,484</u>
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---
45	314	---	32	53	1	64
45	314	---	32	53	1	64
892	960	---	1,476	2,714	102	7,420
---	---	---	---	---	---	---
892	960	---	1,476	2,714	102	7,420
<u>\$ 937</u>	<u>\$ 1,274</u>	<u>\$ ---</u>	<u>\$ 1,508</u>	<u>\$ 2,767</u>	<u>\$ 103</u>	<u>\$ 7,484</u>
\$ 487	\$ 556	\$ 370	\$ 319	\$ 2,501	\$ 81	\$ 4,450
35	36	21	63	65	4	262
<u>522</u>	<u>592</u>	<u>391</u>	<u>382</u>	<u>2,566</u>	<u>85</u>	<u>4,712</u>
---	---	---	---	---	---	---
---	---	---	---	86	---	---
355	245	545	120	---	195	---
307	376	176	226	---	16	1,813
<u>662</u>	<u>621</u>	<u>721</u>	<u>346</u>	<u>86</u>	<u>211</u>	<u>1,813</u>
(140)	(29)	(330)	36	2,480	(126)	2,899
149	123	---	---	148	---	---
(10)	(12)	(19)	(7)	---	(32)	(57)
---	---	---	---	38,145	---	4,525
---	---	(1,059)	---	(38,059)	---	(8,408)
<u>139</u>	<u>111</u>	<u>(1,078)</u>	<u>(7)</u>	<u>234</u>	<u>(32)</u>	<u>(3,940)</u>
(1)	82	(1,408)	29	2,714	(158)	(1,041)
893	878	1,408	1,447	---	260	8,461
<u>\$ 892</u>	<u>\$ 960</u>	<u>\$ ---</u>	<u>\$ 1,476</u>	<u>\$ 2,714</u>	<u>\$ 102</u>	<u>\$ 7,420</u>

Continued on next page

**DEBT SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
OTHER SPECIAL ASSESSMENTS FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Mira Mesa	Mission Valley Heights	Otay Int'l Phase I
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 42	\$ ---	\$ ---
Investments at Fair Value	1	---	---
Receivables:			
Special Assessments - Net	---	---	---
Accrued Interest	---	---	---
TOTAL ASSETS	\$ 43	\$ ---	\$ ---
LIABILITIES			
Matured Bonds, Notes and Interest Payable	\$ ---	\$ ---	\$ ---
Deferred Revenue	---	---	---
TOTAL LIABILITIES	---	---	---
FUND EQUITY			
Fund Balances:			
Reserved for Debt Service	43	---	---
Unreserved:			
Designated for Unrealized Gains	---	---	---
TOTAL FUND EQUITY	43	---	---
TOTAL LIABILITIES AND FUND EQUITY	\$ 43	\$ ---	\$ ---

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

REVENUES			
Special Assessments	\$ ---	\$ 367	\$ 314
Revenue from Use of Money and Property	2	27	22
TOTAL REVENUES	2	394	336
EXPENDITURES			
Current:			
General Government	---	---	---
Cost of Issuance, Bonds and Notes	---	---	---
Debt Service:			
Principal Retirement	---	175	165
Interest	---	268	205
TOTAL EXPENDITURES	---	443	370
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2	(49)	(34)
OTHER FINANCING SOURCES (USES)			
Transfers from Other Funds	---	---	---
Transfers to Other Funds	---	(15)	(30)
Proceeds of Refunding Bonds	---	---	---
Payment to Refunding Bond Escrow Agent	---	(1,308)	(1,036)
TOTAL OTHER FINANCING SOURCES (USES)	---	(1,323)	(1,066)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	2	(1,372)	(1,100)
Fund Balances at Beginning of Year	41	1,372	1,100
FUND BALANCES AT END OF YEAR	\$ 43	\$ ---	\$ ---

Otay Int'l Phase II	Otay Mesa	Otay Mesa Industrial Park	Rio Vista	Sorrento Valley	Sunset Cliffs	Via De La Valle
\$ ---	\$ 44	\$ 161	\$ 2	\$ ---	\$ 23	\$ 290
---	---	95	---	---	22	---
---	---	18	---	---	---	7
---	1	---	---	---	---	3
<u>\$ ---</u>	<u>\$ 45</u>	<u>\$ 274</u>	<u>\$ 2</u>	<u>\$ ---</u>	<u>\$ 45</u>	<u>\$ 300</u>
\$ ---	\$ ---	\$ ---	\$ 2	\$ ---	\$ ---	\$ ---
---	---	18	---	---	---	3
---	---	18	2	---	---	3
---	45	256	---	---	45	297
---	---	---	---	---	---	---
---	45	256	---	---	45	297
<u>\$ ---</u>	<u>\$ 45</u>	<u>\$ 274</u>	<u>\$ 2</u>	<u>\$ ---</u>	<u>\$ 45</u>	<u>\$ 300</u>
\$ 549	\$ ---	\$ 958	\$ ---	\$ 64	\$ ---	\$ 136
35	3	21	1	3	2	12
<u>584</u>	<u>3</u>	<u>979</u>	<u>1</u>	<u>67</u>	<u>2</u>	<u>148</u>
---	---	---	62	---	---	---
---	---	---	---	---	---	---
285	---	915	---	50	---	170
346	---	152	---	34	---	43
<u>631</u>	<u>---</u>	<u>1,067</u>	<u>62</u>	<u>84</u>	<u>---</u>	<u>213</u>
(47)	3	(88)	(61)	(17)	2	(65)
---	---	---	---	---	---	---
(50)	---	(5)	---	(5)	---	(5)
---	---	---	---	---	---	---
<u>(1,770)</u>	<u>---</u>	<u>---</u>	<u>---</u>	<u>(236)</u>	<u>---</u>	<u>---</u>
(1,820)	---	(5)	---	(241)	---	(5)
(1,867)	3	(93)	(61)	(258)	2	(70)
<u>1,867</u>	<u>42</u>	<u>349</u>	<u>61</u>	<u>258</u>	<u>43</u>	<u>367</u>
<u>\$ ---</u>	<u>\$ 45</u>	<u>\$ 256</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 45</u>	<u>\$ 297</u>

Continued on next page

**DEBT SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
OTHER SPECIAL ASSESSMENTS FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Totals	
	1999	1998
ASSETS		
Cash or Equity in Pooled Cash and Investments	\$ 4,353	\$ 6,377
Investments at Fair Value	9,811	16,024
Receivables:		
Special Assessments - Net	594	797
Accrued Interest	40	82
TOTAL ASSETS	\$ 14,798	\$ 23,280
LIABILITIES		
Matured Bonds, Notes and Interest Payable	\$ 2	\$ 3
Deferred Revenue	530	687
TOTAL LIABILITIES	532	690
FUND EQUITY		
Fund Balances:		
Reserved for Debt Service	14,266	22,577
Unreserved:		
Designated for Unrealized Gains	---	13
TOTAL FUND EQUITY	14,266	22,590
TOTAL LIABILITIES AND FUND EQUITY	\$ 14,798	\$ 23,280

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

REVENUES		
Special Assessments	\$ 13,089	\$ 11,798
Revenue from Use of Money and Property	684	1,017
TOTAL REVENUES	13,773	12,815
EXPENDITURES		
Current:		
General Government	82	2,059
Cost of Issuance, Bonds and Notes	86	---
Debt Service:		
Principal Retirement	4,065	7,795
Interest	4,586	8,994
TOTAL EXPENDITURES	8,819	18,848
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,954	(6,033)
OTHER FINANCING SOURCES (USES)		
Transfers from Other Funds	420	198
Transfers to Other Funds	(440)	(39)
Proceeds of Refunding Bonds	42,670	---
Payment to Refunding Bond Escrow Agent	(55,928)	---
TOTAL OTHER FINANCING SOURCES (USES)	(13,278)	159
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(8,324)	(5,874)
Fund Balances at Beginning of Year	22,590	28,464
FUND BALANCES AT END OF YEAR	\$ 14,266	\$ 22,590

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS ARE USED TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES (OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS AND TRUST FUNDS).

CITY OF SAN DIEGO

The following funds are included in the City of San Diego Reporting Entity:

CAPITAL OUTLAY FUND

This fund was established per Section 77 of the City Charter to account for the acquisition, construction and completion of permanent public improvements and real property. Capital Outlay Fund revenues are derived from the sale of City-owned real property supplemented by sales tax revenue.

OTHER CONSTRUCTION FUND

This fund was established to account for a variety of capital projects such as park and street improvements and construction of public facilities in new development areas. Revenues in this fund are derived from such sources as contributions from developers, grants from Federal, State and other governmental agencies, special assessments, special taxes, fees, and interest derived therefrom.

CONVENTION CENTER EXPANSION FINANCING AUTHORITY

This fund was established to account for the capital improvement activities of the Convention Center Expansion Financing Authority (the "Authority"). The Authority, created by the City of San Diego and the San Diego Unified Port District, facilitates the financing, acquisition and construction of an expansion to the existing convention center. Revenues are derived from the issuance of bonds, revenue from other agencies and interest earnings on investments.

PUBLIC FACILITIES FINANCING AUTHORITY

This fund was established to account for the capital improvement acquisition and construction activities of the Public Facilities Financing Authority (the "Authority") Joint Powers Agency. The Authority, created by the City of San Diego and the Redevelopment Agency of the City of San Diego, facilitates the financing and construction of public capital improvements of the City or the Redevelopment Agency. Revenues are derived from the issuance of bonds and interest earnings on investments.

REDEVELOPMENT AGENCY

This fund was established to account for the capital improvement activities of the Redevelopment Agency of the City of San Diego (the "Agency"). The Agency was established to provide a method for revitalizing deteriorated and blighted areas of the City of San Diego. Funds are derived from the City of San Diego, from the issuance of bonds for specific redevelopment projects, sale of real estate and investment income.

CAPITAL PROJECTS FUNDS (Continued)

SAN DIEGO FACILITIES AND EQUIPMENT LEASING CORPORATION

This fund was established to account for the capital improvement activities of the San Diego Facilities and Equipment Leasing Corporation (the "Corporation"). The Corporation was established as a non-profit organization to acquire and lease to the City of San Diego real and personal property to be used in the municipal operations of the City. This fund accounts for proceeds from the issuance of Certificates of Participation used to finance construction projects in Balboa and Mission Bay parks.

FINANCIAL STATEMENTS

CAPITAL PROJECT FUNDS

**CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	City of San Diego	Convention Center Expansion Financing Authority
ASSETS		
Cash or Equity in Pooled Cash and Investments	\$ 165,583	\$ ---
Cash With Custodian/Fiscal Agent	---	645
Investments at Fair Value	3,809	147,776
Receivables:		
Accounts - Net	39	---
Notes	15	---
Accrued Interest	1,501	---
Grants	11,070	---
From Other Funds	---	---
From Other Agencies	276	---
Advances to Other Funds	4,114	---
Land Held for Resale	---	---
TOTAL ASSETS	<u>\$ 186,407</u>	<u>\$ 148,421</u>
LIABILITIES		
Accounts Payable	\$ 1,387	\$ 3,705
Due to Other Funds	---	532
Due to Other Agencies	96	---
Deferred Revenue	1,854	---
Advances From Other Funds	4,114	---
Sundry Trust Liabilities	---	---
TOTAL LIABILITIES	<u>7,451</u>	<u>4,237</u>
FUND EQUITY		
Fund Balances:		
Reserved for Land Held for Resale	---	---
Reserved for Encumbrances	25,714	139,175
Unreserved:		
Designated for Unrealized Gains	---	---
Designated for Subsequent Years' Expenditures	106,362	5,009
Undesignated	46,880	---
TOTAL FUND EQUITY	<u>178,956</u>	<u>144,184</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 186,407</u>	<u>\$ 148,421</u>

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Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities And Equipment Leasing Corporation	Totals	
			1999	1998
\$ 250,551	\$ 23,681	\$ 224,275	\$ 664,090	\$ 174,158
---	---	1	646	354
397	---	9,140	161,122	27,375
---	---	---	39	577
---	224	---	239	206
3,340	246	1,827	6,914	2,448
---	---	---	11,070	10,013
---	37,431	---	37,431	31,924
---	---	---	276	1,624
---	559	---	4,673	3,697
---	43,990	---	43,990	25,993
<u>\$ 254,288</u>	<u>\$ 106,131</u>	<u>\$ 235,243</u>	<u>\$ 930,490</u>	<u>\$ 278,369</u>
\$ ---	\$ 2,368	\$ ---	\$ 7,460	\$ 484
---	---	780	1,312	124
---	---	---	96	83
---	309	---	2,163	2,379
---	---	1,958	6,072	4,159
---	6,087	---	6,087	819
---	8,764	2,738	23,190	8,048
---	43,990	---	43,990	25,993
---	37,734	7,182	209,805	70,259
---	---	---	---	341
254,288	15,643	225,323	606,625	120,308
---	---	---	46,880	53,420
<u>254,288</u>	<u>97,367</u>	<u>232,505</u>	<u>907,300</u>	<u>270,321</u>
<u>\$ 254,288</u>	<u>\$ 106,131</u>	<u>\$ 235,243</u>	<u>\$ 930,490</u>	<u>\$ 278,369</u>

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for Year Ended June 30, 1998
(In Thousands)

	City of San Diego	Convention Center Expansion Financing Authority
REVENUES		
Property Taxes	\$ —	\$ —
Sales Taxes	22,869	—
Licenses and Permits	6,574	—
Revenue from Use of Money and Property	8,834	6,759
Revenue from Federal Agencies	4,871	—
Revenue from Other Agencies	11,496	15,801
Revenue from Private Sources	29,976	—
Other Revenue	3,212	—
TOTAL REVENUES	87,832	22,560
EXPENDITURES		
Current:		
General Government	63	—
Parks, Recreation and Culture	6,755	—
Public Works	3,414	—
Costs of Issuance, Bonds and Notes	—	7,039
Capital Projects	70,396	63,860
TOTAL EXPENDITURES	80,628	70,899
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,204	(48,339)
OTHER FINANCING SOURCES (USES)		
Transfers from Proprietary Funds	292	—
Transfers from Other Funds	10,657	21
Transfers to Proprietary Funds	(659)	—
Transfers to Other Funds	(10,805)	(5,217)
Proceeds of Revenue Bonds	—	197,719
TOTAL OTHER FINANCING SOURCES (USES)	(515)	192,523
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	6,689	144,184
Fund Balances at Beginning of Year	172,267	—
FUND BALANCES AT END OF YEAR	\$ 178,956	\$ 144,184

Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities And Equipment Leasing Corporation	Totals	
			1999	1998
\$ —	\$ 6,496	\$ —	\$ 6,496	\$ 3,730
—	—	—	22,869	26,597
—	—	—	6,574	5,038
3,802	1,195	14,399	34,989	17,217
—	1,114	—	5,985	7,179
—	2	—	27,299	9,368
—	9,678	—	39,654	31,109
—	460	—	3,672	16,497
3,802	18,945	14,399	147,538	116,735
—	4,901	—	4,964	2,994
—	341	—	7,096	386
—	—	—	3,414	3,268
481	—	422	7,942	—
98,649	49,167	151,450	433,522	271,046
99,130	54,409	151,872	456,938	277,694
(95,328)	(35,464)	(137,473)	(309,400)	(160,959)
—	—	—	292	687
56,731	60,380	39	127,828	11,466
—	—	—	(659)	(1,654)
—	(5,320)	(390)	(21,732)	(14,712)
291,954	—	350,977	840,650	—
348,685	55,060	350,626	946,379	(4,213)
253,357	19,596	213,153	636,979	(165,172)
931	77,771	19,352	270,321	435,493
\$ 254,288	\$ 97,367	\$ 232,505	\$ 907,300	\$ 270,321

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**CAPITAL PROJECTS FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Budgeted	Unbudgeted	Totals	
	Capital Outlay	Other Construction	1999	1998
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 55	\$ 165,528	\$ 165,583	\$ 153,122
Investments at Fair Value	—	3,809	3,809	7,079
Receivables:				
Accounts - Net	34	5	39	577
Notes		15	15	15
Accrued Interest	9	1,492	1,501	2,059
Grants	10,985	85	11,070	10,013
From Other Agencies	—	276	276	1,624
Advance to Other Funds	—	4,114	4,114	3,213
TOTAL ASSETS	\$ 11,083	\$ 175,324	\$ 186,407	\$ 177,702
LIABILITIES				
Accounts Payable	\$ 25	\$ 1,362	\$ 1,387	\$ 5
Due To Other Agencies	64	32	96	83
Deferred Revenue	480	1,374	1,854	2,134
Advances from Other Funds	4,114	—	4,114	3,213
TOTAL LIABILITIES	4,683	2,768	7,451	5,435
FUND EQUITY				
Fund Balances:				
Reserved for Encumbrances	1,264	24,450	25,714	35,418
Unreserved:				
Designated for Unrealized Gains	—	—	—	301
Designated for Subsequent Years' Expenditures	3,685	102,677	106,362	83,562
Undesignated	1,451	45,429	46,880	52,986
TOTAL FUND EQUITY	6,400	172,556	178,956	172,267
TOTAL LIABILITIES AND FUND EQUITY	\$ 11,083	\$ 175,324	\$ 186,407	\$ 177,702

CAPITAL PROJECTS FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	<u>Budgeted</u>	<u>Unbudgeted</u>	<u>Totals</u>	
	<u>Capital Outlay</u>	<u>Other Construction</u>	<u>1999</u>	<u>1998</u>
REVENUES				
Sales Taxes	\$ 1,399	\$ 21,470	\$ 22,869	\$ 26,597
Licenses and Permits	—	6,574	6,574	5,038
Revenue from Use of Money and Property	418	8,416	8,834	10,454
Revenue from Federal Agencies	4,861	10	4,871	4,477
Revenue from Other Agencies	11,264	232	11,496	7,698
Revenue from Private Sources	—	29,976	29,976	30,323
Other Revenue	2,251	961	3,212	15,976
TOTAL REVENUES	<u>20,193</u>	<u>67,639</u>	<u>87,832</u>	<u>100,563</u>
EXPENDITURES				
Current:				
General Government	—	63	63	45
Parks, Recreation and Culture	81	6,674	6,755	8
Public Works	—	3,414	3,414	3,268
Capital Projects	17,820	52,576	70,396	74,995
TOTAL EXPENDITURES	<u>17,901</u>	<u>62,727</u>	<u>80,628</u>	<u>78,316</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,292</u>	<u>4,912</u>	<u>7,204</u>	<u>22,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers from Proprietary Funds	—	292	292	687
Transfers from Other Funds	2,755	7,902	10,657	1,258
Transfers to Proprietary Funds	—	(659)	(659)	(1,654)
Transfers to Other Funds	(5,412)	(5,393)	(10,805)	(9,905)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,657)</u>	<u>2,142</u>	<u>(515)</u>	<u>(9,614)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(365)</u>	<u>7,054</u>	<u>6,689</u>	<u>12,633</u>
Fund Balances at Beginning of Year	6,765	165,502	172,267	159,634
FUND BALANCES AT END OF YEAR	<u>\$ 6,400</u>	<u>\$ 172,556</u>	<u>\$ 178,956</u>	<u>\$ 172,267</u>

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ANNUAL FINANCIAL REPORT

**CAPITAL PROJECTS FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN UNDESIGNATED FUND BALANCES
BUDGET AND ACTUAL (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 1999
(In Thousands)**

			Capital Outlay		
	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Budget	Variance Favorable (Unfavorable)
REVENUES					
Sales Taxes	\$ 1,399	\$ ---	\$ 1,399	\$ 125	\$ 1,274
Revenue from Use of Money and Property	418	2	420	359	61
Revenue from Federal Agencies	4,861	---	4,861	14,232	(9,371)
Revenue from Other Agencies	11,264	---	11,264	17,163	(5,899)
Other Revenue	2,251	---	2,251	3,205	(954)
TOTAL REVENUES	20,193	2	20,195	35,084	(14,889)
EXPENDITURES					
Parks, Recreation and Culture	81	---	81	195	114
Capital Projects	17,820	1,264	19,084	37,803	18,719
TOTAL EXPENDITURES	17,901	1,264	19,165	37,998	18,833
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,292	(1,262)	1,030	(2,914)	3,944
OTHER FINANCING SOURCES (USES)					
Transfers from Other Funds	2,755	---	2,755	2,782	(27)
Transfers to Other Funds	(5,412)	---	(5,412)	(5,412)	---
TOTAL OTHER FINANCING SOURCES (USES)	(2,657)	---	(2,657)	(2,630)	(27)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ (365)	\$ (1,282)	(1,627)	(5,544)	3,917
Fund Balance Undesignated at July 1, 1998			1,769	1,769	---
Reserved for Encumbrances at July 1, 1998			973	973	---
Designated for Subsequent Years' Expenditures at July 1, 1998			4,021	4,021	---
Designated for Subsequent Years' Expenditures at June 30, 1999			(3,685)	---	(3,685)
FUND BALANCE UNDESIGNATED AT JUNE 30, 1999	\$ 1,451	\$ 1,219	\$ 232		

ENTERPRISE FUNDS

ENTERPRISE FUNDS ARE USED TO ACCOUNT FOR OPERATIONS (a) THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES - WHERE THE INTENT OF THE GOVERNING BODY IS THAT THE COSTS (EXPENSES, INCLUDING DEPRECIATION) OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES; OR (b) WHERE THE GOVERNING BODY HAS DECIDED THAT PERIODIC DETERMINATION OF REVENUES EARNED, EXPENSES INCURRED, AND/OR NET INCOME IS APPROPRIATE FOR CAPITAL MAINTENANCE, PUBLIC POLICY, MANAGEMENT CONTROL, ACCOUNTABILITY OR OTHER PURPOSES. THESE FUNDS USE FULL ACCRUAL ACCOUNTING.

CITY OF SAN DIEGO

The following funds are included in the City of San Diego Reporting Entity:

AIRPORTS FUND

This fund was established to account for the operation, maintenance and development of both City-owned airports--Montgomery and Brown Fields. Airports Fund revenues are derived from such sources as rent/lease revenue, usage fees, earnings on investments and aid from other governmental agencies.

THE CENTRE FUND

This fund accounts for the activities of the Centre for Organizational Effectiveness ("the Centre"). The Centre was established to develop, market, and distribute organization development/management training products and services. Revenues are derived from fees for products and consulting services.

CITY STORE FUND

This fund was established to account for activities of the City's entrepreneurial program. This program operates retail store outlets for the purpose of selling surplus city materials and other items promoting the City of San Diego.

ENVIRONMENTAL SERVICES FUND

This fund was established to account for the activities of the Environmental Services Department. This department operates the City-owned landfill and administers litter control and collection programs. Revenues are derived from landfill disposal user fees, litter control fees, and interest derived therefrom.

GOLF COURSE FUND

This fund was established to operate, maintain, and improve physical conditions and initiate capital improvement programs for Torrey Pines and Balboa golf courses. Revenues are derived from green fees and leases.

ENTERPRISE FUNDS (Continued)

CITY OF SAN DIEGO (Continued)

PLANNING AND DEVELOPMENT REVIEW FUND

This fund was established to account for the operation of the Planning and Development Review Department. Plan check, permit and inspection service fees, and interest derived therefrom are the main sources of revenue.

RECYCLING FUND

This fund was established to account for the planning, implementation, operation and management of City recycling and waste diversion programs. Revenues are derived from the Recycling Fee on all waste generated in the City or disposed of at the City landfill.

SEWER UTILITY FUND

This fund was established to account for the operation, maintenance, and development of the City's sewer systems. User fees, aid from other governmental agencies and interest derived therefrom are the main sources of revenue.

WATER UTILITY FUND

This fund was established per Section 53 of the City Charter to account for operating and maintenance costs; replacements, betterments, and expansion of facilities; and payments necessary for obtaining water from the Colorado River. Water sales, aid from other governmental agencies, and interest derived therefrom are the main sources of revenue.

SAN DIEGO DATA PROCESSING CORPORATION

This fund accounts for the operations of the San Diego Data Processing Corporation, Inc. ("SDDPC"). SDDPC was formed for the purpose of providing data processing services to public agencies, primarily the City of San Diego, which is the sole member of the Corporation. The Corporation also provides telecommunication services to the City. Rates are charged for the various services provided as per operating agreements and are subject to change each year.

FINANCIAL STATEMENTS

ENTERPRISE FUNDS

THE CITY OF SAN DIEGO

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ENTERPRISE FUNDS COMBINING BALANCE SHEET June 30, 1999 With Comparative Figures for June 30, 1998 (In Thousands)

	City of San Diego	San Diego Data Processing Corporation	Totals	
			1999	1998
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 563,743	\$ 58	\$ 563,801	\$ 453,256
Cash with Custodian/Fiscal Agent	44	---	44	21
Receivables:				
Accounts - Net	58,351	6,166	64,517	72,312
Special Assessments - Net	13	---	13	12
Accrued Interest	5,330	---	5,330	6,030
Grants	20,964	---	20,964	12,994
From Other Funds	1,434	---	1,434	875
Advances to Other Funds	30,962	---	30,962	28,354
Inventories of Water in Storage	6,714	---	6,714	9,424
Inventories	183	944	1,127	1,300
Prepaid and Reimbursable Items and Deposits	487,261	1,098	488,359	37,125
Restricted Assets:				
Cash or Equity in Pooled Cash and Investments -				
Interest and Redemption Funds	18,951	110	19,061	17,687
Cash with Custodian/Fiscal Agent	47	---	47	47
Deferred Charges	32,340	---	32,340	20,893
Fixed Assets - Net	2,925,006	19,149	2,944,155	2,733,048
TOTAL ASSETS	<u>\$ 4,151,343</u>	<u>\$ 27,525</u>	<u>\$ 4,178,868</u>	<u>\$ 3,393,378</u>
LIABILITIES				
Accounts Payable	\$ 33,348	\$ 3,043	\$ 36,391	\$ 44,651
Accrued Wages and Benefits	17,103	2,128	19,231	16,875
Other Accrued Liabilities	---	2,444	2,444	1,512
Liability Claims	9,420	---	9,420	9,151
Matured Bonds, Notes and Interest Payable	47	---	47	47
Interest Accrued on Long-Term Debt	18,681	---	18,681	5,143
Long-Term Debt Due Within One Year	18,931	142	19,073	17,124
Due to Other Funds	654	---	654	751
Due to Other Agencies	2,030	---	2,030	1,680
Deferred Revenue	19,768	---	19,768	19,067
Deposits/Advances from Others	743	---	743	708
Sundry Trust Liabilities	---	---	---	1
Estimated Landfill Closure and Postclosure Care	8,239	---	8,239	7,464
Capital Lease Obligations	3,219	286	3,505	360
Net Pension Liabilities	2,018	---	2,018	694
Contracts and Notes Payable	1,485,540	7,395	1,492,935	811,299
TOTAL LIABILITIES	<u>1,619,741</u>	<u>15,438</u>	<u>1,635,179</u>	<u>936,527</u>
FUND EQUITY				
Contributed Capital	1,460,363	---	1,460,363	1,373,128
Retained Earnings:				
Unreserved	1,071,239	12,087	1,083,326	1,083,723
TOTAL FUND EQUITY	<u>2,531,602</u>	<u>12,087</u>	<u>2,543,689</u>	<u>2,456,851</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,151,343</u>	<u>\$ 27,525</u>	<u>\$ 4,178,868</u>	<u>\$ 3,393,378</u>

ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	City of San Diego	San Diego Data Processing Corporation	Totals	
			1999	1998
OPERATING REVENUES				
Sale of Water	\$ 167,843	\$ ---	\$ 167,843	\$ 153,460
Charges for Services	241,492	55,945	297,437	290,571
Contributions	4	---	4	7,866
Revenue from Use of Property	2,880	---	2,880	2,627
Usage Fees	50,597	---	50,597	48,670
Other	9,938	1,260	11,198	10,835
TOTAL OPERATING REVENUES	472,754	57,205	529,959	514,029
OPERATING EXPENSES				
Maintenance and Operations	238,536	---	238,536	229,984
Cost of Materials Issued	235	---	235	166
Cost of Water Purchased	84,123	---	84,123	68,138
Taxes	897	5,915	6,812	6,171
Administration	71,133	43,533	114,666	97,205
Depreciation and Amortization	45,121	6,694	51,815	33,401
TOTAL OPERATING EXPENSES	440,045	56,142	496,187	435,065
OPERATING INCOME	32,709	1,063	33,772	78,964
NONOPERATING REVENUES (EXPENSES)				
Earnings on Investments	25,990	52	26,042	28,418
Federal Grant Assistance	5,787	---	5,787	25,055
Other Agency Grant Assistance	2,577	---	2,577	2,676
Debt Service Interest Payments	(59,181)	(545)	(59,726)	(39,209)
Cost of Issuance of Long - Term Debt	(1,204)	---	(1,204)	(782)
Gain (Loss) on Sale/Retirement of Fixed Assets	(2,779)	(32)	(2,811)	(2,111)
Other	(3,979)	---	(3,979)	(21,920)
TOTAL NONOPERATING REVENUES (EXPENSES)	(32,789)	(525)	(33,314)	(7,873)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(80)	538	458	71,091
Operating Transfers In	3,600	---	3,600	89
Transfers from Governmental Funds	584	---	584	1,051
Operating Transfers Out	(3,784)	---	(3,784)	(1,747)
Transfers to Governmental Funds	(755)	(500)	(1,255)	(303)
NET INCOME (LOSS)	(435)	38	(397)	70,181
Retained Earnings at Beginning of Year	1,071,674	12,049	1,083,723	1,013,542
RETAINED EARNINGS AT END OF YEAR	\$ 1,071,239	\$ 12,087	\$ 1,083,326	\$ 1,083,723

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	City of San Diego
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ 32,709
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:	
Depreciation and Amortization	45,121
Changes in Assets and Liabilities:	
(Increase) Decrease in Receivables:	
Accounts and Special Assessments - Net	8,374
From Other Funds	(683)
(Increase) Decrease in Inventories	2,790
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	(237,219)
Increase (Decrease) in Accounts Payable	(6,605)
Increase (Decrease) in Accrued Wages and Benefits	2,083
Increase (Decrease) in Other Accrued Liabilities	---
Increase (Decrease) in Liability Claims	268
Increase (Decrease) in Due to Other Funds	(97)
Increase (Decrease) in Due to Other Agencies	350
Increase (Decrease) in Deferred Revenue	701
Increase (Decrease) in Net Pension Liabilities	1,324
Increase (Decrease) in Estimated Landfill Closure and Postclosure Care	775
Other Nonoperating Revenue (Expense)	(3,979)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	(154,088)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Transfers In	3,600
Transfers from Governmental Funds	584
Operating Transfers Out	(3,784)
Transfers to Governmental Funds	(755)
Operating Grants Received	172
Proceeds from Advances and Deposits	35
Payments for Advances and Deposits	(2,608)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(2,756)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from Issuance of Long-Term Debt	477,031
Proceeds from Contributed Capital	66,057
Return of Contributed Capital	(1,805)
Acquisition of Fixed Assets	(239,230)
Proceeds from the Sale of Fixed Assets	1,341
Principal Payment on Capital Lease	(220)
Principal Paid on Long-Term Debt	(15,430)
Interest Paid on Long-Term Debt	(45,643)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	242,101
CASH FLOWS FROM INVESTING ACTIVITIES	
(Purchases)Sales of Investments	---
Interest and Dividends Received on Investments	26,690
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	26,690
Net Increase (Decrease) in Cash And Cash Equivalents	111,947
Cash and Cash Equivalents at Beginning of Year	470,838
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 582,785

San Diego Data Processing Corporation	Totals	
	1999	1998
\$ 1,063	\$ 33,772	\$ 78,964
6,694	51,815	33,401
(580)	7,794	(1,628)
—	(683)	92
92	2,882	(5,328)
149	(237,070)	73
(1,655)	(8,260)	(25,392)
273	2,356	2,522
932	932	769
—	268	(91)
—	(97)	(1,591)
—	350	723
—	701	4,654
—	1,324	694
—	775	627
—	(3,979)	(21,920)
6,968	(147,120)	66,569
—	3,600	89
—	584	1,051
—	(3,784)	(1,747)
(500)	(1,255)	(303)
—	172	24,854
5	40	(148)
—	(2,608)	(2,515)
(495)	(3,251)	21,281
1,881	478,912	164,779
—	66,057	48,414
—	(1,805)	(1,158)
(4,070)	(243,300)	(280,833)
73	1,414	450
(74)	(294)	(208)
(3,790)	(19,220)	(16,078)
(545)	(46,188)	(39,282)
(6,525)	235,576	(123,916)
—	—	111
47	26,737	29,658
47	26,737	29,769
(5)	111,942	(6,297)
173	471,011	477,308
<u>\$ 168</u>	<u>\$ 582,953</u>	<u>\$ 471,011</u>

ENTERPRISE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)

	Airports	The Centre	City Store
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 2,975	\$ 389	\$ 96
Cash with Custodian/Fiscal Agent	—	—	44
Receivables:			
Accounts - Net	696	96	—
Special Assessments - Net	—	—	—
Accrued Interest	25	4	1
Grants	149	—	—
From Other Funds	—	—	—
Advances to Other Funds	171	—	—
Inventories of Water in Storage	—	—	—
Inventories	—	—	35
Prepaid and Reimbursable Items and Deposits	1	—	5
Restricted Assets:			
Cash or Equity in Pooled Cash and			
Investments - Interest and Redemption Funds	—	—	—
Cash with Custodian/Fiscal Agent	—	—	—
Deferred Charges	—	—	—
Fixed Assets - Net	10,218	4	18
TOTAL ASSETS	\$ 14,235	\$ 493	\$ 199
LIABILITIES			
Accounts Payable	\$ 55	\$ 4	\$ —
Accrued Wages and Benefits	171	36	—
Liability Claims	—	—	—
Matured Bonds, Notes and Interest Payable	—	—	—
Interest Accrued on Long-Term Debt	—	—	—
Long-Term Debt Due Within One Year	—	—	—
Due to Other Funds	—	—	—
Due to Other Agencies	—	—	—
Deferred Revenue	—	—	—
Deposits/Advances from Others	—	—	—
Sundry Trust Liabilities	—	—	—
Estimated Landfill Closure and Postclosure Care	—	—	—
Capital Lease Obligations	—	—	—
Net Pension Liabilities	17	5	—
Contracts and Notes Payable	—	—	—
TOTAL LIABILITIES	243	45	—
FUND EQUITY			
Contributed Capital	10,783	—	—
Retained Earnings:			
Unreserved	3,209	448	199
TOTAL FUND EQUITY	13,992	448	199
TOTAL LIABILITIES AND FUND EQUITY	\$ 14,235	\$ 493	\$ 199

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Environmental Services	Golf Course	Planning and Development Review	Recycling	Sewer Utility	Water Utility	Totals	
						1999	1998
\$ 27,276	\$ 3,926	\$ 11,302	\$ 2,562	\$ 295,483	\$ 219,734	\$ 563,743	\$ 453,188
---	---	---	---	---	---	44	21
1,017	---	7	50	27,077	29,408	58,351	66,726
---	---	13	---	---	---	13	12
447	51	94	38	2,656	2,014	5,330	6,030
6	---	---	---	20,498	311	20,964	12,994
654	---	---	---	---	780	1,434	875
3,896	486	106	2,088	12,717	11,498	30,962	28,354
---	---	---	---	---	6,714	6,714	9,424
---	---	---	---	---	148	183	264
---	---	1	---	249,964	237,290	487,261	35,878
18,951	---	---	---	---	---	18,951	17,582
---	---	---	---	47	---	47	47
---	---	---	---	23,448	8,892	32,340	20,893
80,797	7,682	3,723	3,636	2,070,955	747,973	2,925,006	2,711,530
<u>\$ 133,044</u>	<u>\$ 12,145</u>	<u>\$ 15,246</u>	<u>\$ 8,374</u>	<u>\$ 2,702,845</u>	<u>\$ 1,264,762</u>	<u>\$ 4,151,343</u>	<u>\$ 3,363,818</u>
\$ 1,396	\$ 97	\$ 301	\$ 121	\$ 13,097	\$ 18,277	\$ 33,348	\$ 39,953
1,371	397	2,855	540	7,225	4,508	17,103	15,020
---	---	---	---	3,067	6,353	9,420	9,151
---	---	---	---	47	---	47	47
---	2	---	---	10,091	8,588	18,681	5,143
---	94	---	413	18,300	124	18,931	15,547
---	---	654	---	---	---	654	751
---	---	---	---	2,026	4	2,030	1,680
32	---	4,033	---	10,181	5,522	19,768	19,067
12	---	---	---	---	731	743	708
---	---	---	---	---	---	---	1
8,239	---	---	---	---	---	8,239	7,464
---	98	---	2,885	---	236	3,219	360
226	42	355	---	779	594	2,018	694
---	---	---	---	1,100,540	385,000	1,485,540	803,430
11,276	730	8,198	3,959	1,165,353	429,937	1,619,741	919,016
243	21	371	327	866,688	581,930	1,460,363	1,373,128
121,525	11,394	6,677	4,088	670,804	252,895	1,071,239	1,071,674
121,768	11,415	7,048	4,415	1,537,492	834,825	2,531,602	2,444,802
<u>\$ 133,044</u>	<u>\$ 12,145</u>	<u>\$ 15,246</u>	<u>\$ 8,374</u>	<u>\$ 2,702,845</u>	<u>\$ 1,264,762</u>	<u>\$ 4,151,343</u>	<u>\$ 3,363,818</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

ENTERPRISE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	Airports	The Centre	City Store
OPERATING REVENUES			
Sale of Water	\$ ---	\$ ---	\$ ---
Charges for Services	---	911	512
Contributions	---	---	4
Revenue from Use of Property	---	---	---
Usage Fees	2,839	---	---
Other	449	---	---
TOTAL OPERATING REVENUES	3,288	911	516
OPERATING EXPENSES			
Maintenance and Operations	1,569	463	190
Cost of Materials Issued	---	---	235
Cost of Water Purchased	---	---	---
Taxes	---	---	---
Administration	354	260	60
Depreciation and Amortization	431	3	2
TOTAL OPERATING EXPENSES	2,354	726	487
OPERATING INCOME (LOSS)	934	185	29
NONOPERATING REVENUES (EXPENSES)			
Earnings on Investments	119	21	5
Federal Grant Assistance	---	---	---
Other Agency Grant Assistance	---	---	---
Debt Service Interest Payments	---	---	---
Cost of Insurance of Long - Term Debt	---	---	---
Gain (Loss) on Sale/Retirement of Fixed Assets	---	(1)	---
Other	---	---	---
TOTAL NONOPERATING REVENUES (EXPENSES)	119	20	5
INCOME (LOSS) BEFORE OPERATING TRANSFERS	1,053	205	34
Operating Transfers In	---	---	---
Transfers from Governmental Funds	---	---	---
Operating Transfers Out	(10)	---	---
Transfers to Governmental Funds	---	(60)	---
NET INCOME (LOSS)	1,043	145	34
Retained Earnings at Beginning of Year	2,166	303	165
RETAINED EARNINGS AT END OF YEAR	\$ 3,209	\$ 448	\$ 199

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Environmental Services	Golf Course	Planning and Development Review	Recycling	Sewer Utility	Water Utility	Totals	
						1999	1998
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 167,843	\$ 167,843	\$ 153,460
981	6,082	32,683	1,009	197,491	1,823	241,492	245,812
---	---	---	---	---	---	4	7,866
33,763	689	---	11,981	---	2,880	2,880	2,627
239	4	252	11	1,353	1,325	50,597	48,670
---	---	---	---	---	7,630	9,938	9,225
34,983	6,775	32,935	13,001	198,844	181,501	472,754	467,660
27,421	4,142	33,241	9,794	111,469	50,247	238,536	229,984
---	---	---	---	---	---	235	166
---	---	---	---	---	84,123	84,123	68,138
3,559	437	965	374	22,882	897	897	790
481	183	874	---	29,863	42,242	71,133	62,208
---	---	---	---	---	13,284	45,121	28,382
31,461	4,762	35,080	10,168	164,214	190,793	440,045	389,668
3,522	2,013	(2,145)	2,833	34,630	(9,292)	32,709	77,992
2,576	278	530	133	13,682	8,646	25,990	28,310
---	---	---	---	3,185	2,602	5,787	25,055
6	---	---	---	1,196	1,375	2,577	2,676
---	(14)	(43)	(4)	(42,057)	(17,063)	(59,181)	(38,739)
---	---	---	---	(897)	(307)	(1,204)	(782)
(35)	---	(30)	48	(4,100)	1,339	(2,779)	(1,983)
1,518	---	---	---	(4,313)	(1,184)	(3,979)	(21,920)
4,065	264	457	177	(33,304)	(4,592)	(32,789)	(7,383)
7,587	2,277	(1,688)	3,010	1,326	(13,884)	(80)	70,609
---	---	---	1,100	1,250	1,250	3,600	89
---	---	584	---	---	---	584	1,051
(1,188)	(9)	(453)	(22)	(1,333)	(769)	(3,784)	(1,747)
---	(695)	---	---	---	---	(755)	(3)
6,399	1,573	(1,557)	4,088	1,243	(13,403)	(435)	69,999
115,126	9,821	8,234	---	669,561	266,298	1,071,674	1,001,675
\$ 121,525	\$ 11,394	\$ 6,677	\$ 4,088	\$ 670,804	\$ 252,895	\$ 1,071,239	\$ 1,071,674

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

ENTERPRISE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	Airports	The Centre	City Store
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 934	\$ 185	\$ 29
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation and Amortization	431	3	2
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables:			
Accounts and Special Assessments - Net	(495)	(11)	—
From Other Funds	—	—	—
(Increase) Decrease in Inventories	—	—	—
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	(1)	—	—
Increase (Decrease) in Accounts Payable	(11)	(21)	(3)
Increase (Decrease) in Accrued Wages and Benefits	12	6	—
Increase (Decrease) in Liability Claims	—	—	(1)
Increase (Decrease) in Due to Other Funds	—	—	—
Increase (Decrease) in Due to Other Agencies	—	—	—
Increase (Decrease) in Deferred Revenue	—	(192)	—
Increase (Decrease) in Net Pension Liabilities	11	3	—
Increase (Decrease) in Estimated Landfill Closure and Postclosure Care	—	—	—
Other Nonoperating Revenue (Expense)	—	—	—
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	881	(27)	27
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Transfers In	—	—	—
Transfers from Governmental Funds	—	—	—
Operating Transfers Out	(10)	—	—
Transfers to Governmental Funds	—	(60)	—
Operating Grants Received	—	—	—
Proceeds from Advances and Deposits	—	—	—
Payments for Advances and Deposits	(25)	—	—
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(35)	(60)	—
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from the Issuance of Long - Term Debt	—	—	—
Proceeds from Contributed Capital	1,286	—	—
Return of Contributed Capital	—	—	—
Acquisition of Fixed Assets	(1,520)	(2)	—
Proceeds from the Sale of Fixed Assets	—	—	—
Principal Payment on Capital Lease	—	—	—
Principal Paid on Long-Term Debt	—	—	—
Interest Paid on Long-Term Debt	—	—	—
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(234)	(2)	—
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	123	23	5
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	123	23	5
Net Increase (Decrease) in Cash and Cash Equivalents	735	(66)	32
Cash and Cash Equivalents at Beginning of Year	2,240	455	108
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,975	\$ 389	\$ 140

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Environmental Services	Golf Course	Planning and Development Review	Recycling	Sewer Utility	Water Utility	Totals	
						1999	1998
\$ 3,522	\$ 2,013	\$ (2,145)	\$ 2,833	\$ 34,630	\$ (9,292)	\$ 32,709	\$ 77,992
481	183	874	—	29,863	13,284	45,121	28,382
246	116	(8)	(50)	7,166	1,410	8,374	(2,369)
97	—	—	—	—	(780)	(683)	92
—	—	—	—	—	2,790	2,790	(5,151)
—	—	(1)	—	—	(237,217)	(237,219)	59
(82)	(8)	59	121	(5,449)	(1,211)	(6,605)	(24,219)
(428)	—	399	540	1,063	491	2,083	2,138
—	—	—	—	276	(7)	268	(91)
—	—	(97)	—	—	—	(97)	(1,591)
—	—	—	—	346	4	350	723
24	—	27	—	321	521	701	4,654
147	28	235	—	514	386	1,324	694
775	—	—	—	—	—	775	627
1,518	—	—	—	(4,313)	(1,184)	(3,979)	(21,920)
6,300	2,332	(657)	3,444	64,417	(230,805)	(154,088)	60,020
—	—	—	1,100	1,250	1,250	3,600	89
—	—	584	—	—	—	584	1,051
(1,188)	(9)	(453)	(22)	(1,333)	(769)	(3,784)	(1,747)
—	(695)	—	—	—	—	(755)	(3)
351	—	—	—	(4,387)	4,208	172	24,854
(1)	—	—	—	—	36	35	(153)
1,072	(122)	(106)	(2,088)	(932)	(407)	(2,608)	(2,515)
234	(826)	25	(1,010)	(5,402)	4,318	(2,756)	21,576
—	—	—	3,311	97,918	375,802	477,031	158,627
—	—	—	327	46,606	17,838	66,057	48,414
—	(1,805)	—	—	—	—	(1,805)	(1,158)
(14,709)	(276)	(747)	(3,588)	(161,009)	(57,379)	(239,230)	(268,468)
—	—	—	—	2	1,339	1,341	—
—	(90)	—	(13)	—	(117)	(220)	(208)
—	—	—	—	(15,430)	—	(15,430)	(14,865)
—	(12)	(43)	(4)	(37,104)	(8,480)	(45,643)	(38,812)
(14,709)	(2,183)	(790)	33	(69,017)	329,003	242,101	(116,470)
2,838	284	582	95	14,709	8,031	26,690	29,550
2,838	284	582	95	14,709	8,031	26,690	29,550
(5,337)	(393)	(840)	2,562	4,707	110,547	111,947	(5,324)
51,564	4,319	12,142	—	290,823	109,187	470,838	476,162
\$ 46,227	\$ 3,926	\$ 11,302	\$ 2,562	\$ 295,530	\$ 219,734	\$ 582,785	\$ 470,838



INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS ARE USED TO ACCOUNT FOR THE FINANCING OF GOODS OR SERVICES PROVIDED BY ONE DEPARTMENT OR AGENCY TO OTHER DEPARTMENTS OR AGENCIES OF THE CITY, OR TO OTHER GOVERNMENTAL UNITS, AND/OR FUNDS.

CITY OF SAN DIEGO

The following funds are included in the City of San Diego Reporting Entity:

CENTRAL GARAGE AND MACHINE SHOP FUND

This fund was established to account for the acquisition, replacement, maintenance and fueling of the City's motive equipment (excluding Fire and Police vehicles.).

CENTRAL STORES FUND

This fund was established to provide centralized storeroom services to all City departments.

ENGINEERING AND CAPITAL PROJECTS FUND

This fund was established to provide project planning, design, engineering systems management and support, and construction management and inspection services for water and wastewater capital improvements.

PRINT SHOP FUND

This fund was established to provide printing and reproduction services to all City departments.

SELF INSURANCE FUND

This fund was established to account for self insurance activities, including worker's compensation and long-term disability programs for employees. Revenues are derived from rates charged as a percentage of payroll to departments. This fund also accounts for the public liability reserve, which was established for the purpose of paying claims in excess of annual appropriations. Annually, any unspent balance of appropriations from the liability claims account is transferred to fund this reserve, per City policy.

MISCELLANEOUS INTERNAL SERVICE FUND

This fund accounts for other various administrative activities including risk management administration, administration and operation of various employee related programs such as unused compensatory time, unused sick leave and unemployment insurance, and city-wide training. Revenues are derived from rates or fees charged to the departments for specific services rendered.

FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

**INTERNAL SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Central Garage and Machine Shop	Central Stores	Engineering and Capital Projects
ASSETS			
Cash or Equity in Pooled Cash and Investments	\$ 26,852	\$ 1,411	\$ 2,202
Receivables:			
Accounts - Net	8	987	—
Claims - Net	2	—	—
Accrued Interest	—	—	6
Advances to Other Funds	36	20	164
Inventories	—	2,723	—
Prepaid and Reimbursable Items and Deposits	—	1	37
Fixed Assets - Net	48,338	136	1,031
TOTAL ASSETS	\$ 75,236	\$ 5,278	\$ 3,440
LIABILITIES			
Accounts Payable	\$ 1,134	\$ 1,870	\$ 203
Accrued Wages and Benefits	1,116	104	842
Liability Claims	—	—	—
Interest Accrued on Long-Term Debt	200	—	—
Long-Term Debt Due Within One Year	3,424	—	—
Deferred Revenue	—	—	—
Advances from Other Funds	38,130	3,282	—
Capital Lease Obligations	12,680	—	—
Net Pension Liability	134	17	115
TOTAL LIABILITIES	56,818	5,273	1,160
FUND EQUITY			
Contributed Capital	226	—	—
Retained Earnings (Deficit):			
Reserved for Claims and Contingencies	—	—	—
Reserved for General Long Term Claims	—	—	—
Unreserved	18,192	5	2,280
TOTAL FUND EQUITY	18,418	5	2,280
TOTAL LIABILITIES AND FUND EQUITY	\$ 75,236	\$ 5,278	\$ 3,440

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Print Shop	Self Insurance	Miscellaneous Internal Service	Totals	
			1999	1998
\$ 1,696	\$ 7,984	\$ 14,483	\$ 54,628	\$ 44,490
81	2	4	1,082	325
---	14	---	16	28
---	(11)	73	68	64
51	---	24	295	113
---	---	---	2,723	3,235
17	---	37	92	181
729	---	12	50,246	41,623
<u>\$ 2,574</u>	<u>\$ 7,989</u>	<u>\$ 14,633</u>	<u>\$ 109,150</u>	<u>\$ 90,059</u>
\$ 38	\$ 629	\$ 274	\$ 4,148	\$ 2,580
228	---	4,434	6,724	6,146
---	33,733	---	33,733	33,728
---	---	---	200	96
---	---	---	3,424	1,666
---	558	---	558	571
---	2,085	---	43,497	37,332
---	---	---	12,680	8,099
25	---	107	398	145
<u>291</u>	<u>37,005</u>	<u>4,815</u>	<u>105,362</u>	<u>90,363</u>
---	---	---	226	226
---	---	6,505	6,505	2,205
---	(29,016)	---	(29,016)	(27,579)
<u>2,283</u>	<u>---</u>	<u>3,313</u>	<u>26,073</u>	<u>24,844</u>
<u>2,283</u>	<u>(29,016)</u>	<u>9,818</u>	<u>3,788</u>	<u>(304)</u>
<u>\$ 2,574</u>	<u>\$ 7,989</u>	<u>\$ 14,633</u>	<u>\$ 109,150</u>	<u>\$ 90,059</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

INTERNAL SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS (DEFICIT)
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)

	Central Garage and Machine Shop	Central Stores	Engineering and Capital Projects
OPERATING REVENUES			
Charges for Services	\$ 1,414	\$ 20,808	\$ 13,394
Contributions	—	—	—
Usage Fees	24,764	—	—
Other	844	169	—
TOTAL OPERATING REVENUES	27,022	20,777	13,394
OPERATING EXPENSES			
Benefit and Claim Payments	—	—	—
Maintenance and Operations	16,480	1,543	7,174
Cost of Materials Issued	—	18,998	—
Administration	1,346	129	3,754
Depreciation and Amortization	7,628	37	532
TOTAL OPERATING EXPENSES	25,454	20,707	11,460
OPERATING INCOME (LOSS)	1,568	70	1,934
NONOPERATING REVENUES (EXPENSES)			
Earnings on Investments	—	1	46
Bond Interest Payments	(599)	—	—
Gain/(Loss) on Sale/Retirement of Fixed Assets	1,178	4	(179)
Other Revenue	179	—	82
TOTAL NONOPERATING REVENUES (EXPENSES)	758	5	(51)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,326	75	1,883
Operating Transfers In	—	59	—
Transfers from Governmental Funds	—	136	—
Operating Transfers Out	(309)	(265)	(2,574)
Transfers to Governmental Funds	(117)	—	—
NET INCOME (LOSS)	1,900	5	(691)
Retained Earnings (Deficit) at Beginning of Year	16,292	—	2,971
RETAINED EARNINGS (DEFICIT) AT END OF YEAR	\$ 18,192	\$ 5	\$ 2,280

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Print Shop	Self Insurance	Miscellaneous Internal Service	Totals	
			1999	1998
\$ 4,801	\$ ---	\$ 1,644	\$ 41,861	\$ 36,005
---	26,602	15,974	42,576	39,097
---	---	---	24,764	21,546
8	269	---	1,290	1,266
4,809	26,871	17,618	110,491	97,914
---	36,017	8,784	44,801	42,305
4,202	---	9,305	38,704	33,911
---	---	---	18,998	14,921
287	---	7,030	12,546	14,059
151	---	5	8,353	7,389
4,640	36,017	25,124	123,402	112,585
169	(9,146)	(7,506)	(12,911)	(14,671)
---	(45)	345	347	236
---	---	---	(599)	(310)
2	---	---	1,005	193
---	29	130	420	382
2	(16)	475	1,173	501
171	(9,162)	(7,031)	(11,738)	(14,170)
---	1,023	3,330	4,412	2,355
---	6,884	8,918	15,938	9,425
(41)	(7)	(1,032)	(4,228)	(697)
---	(175)	---	(292)	(1,893)
130	(1,437)	4,185	4,092	(4,980)
2,153	(27,579)	5,633	(530)	4,450
\$ 2,283	\$ (29,016)	\$ 9,818	\$ 3,562	\$ (530)

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**INTERNAL SERVICE FUNDS
CITY OF SAN DIEGO REPORTING ENTITY
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

	Central Garage and Machine Shop	Central Stores	Engineering and Capital Projects
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,568	\$ 70	\$ 1,934
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Depreciation and Amortization	7,628	37	532
Changes in Assets and Liabilities:			
(Increase) Decrease in Receivables:			
Accounts - Net	(8)	(985)	—
Claims - Net	(1)	—	—
(Increase) Decrease in Inventories	—	512	—
(Increase) Decrease in Prepaid and Reimbursable Items and Deposits	80	—	15
Increase (Decrease) in Accounts Payable	577	875	180
Increase (Decrease) in Advances	—	—	—
Increase (Decrease) in Accrued Wages and Benefits	94	14	97
Increase (Decrease) in Liability Claims	—	—	—
Increase (Decrease) in Due to Other Funds	—	—	—
Increase (Decrease) in Deferred Revenue	—	—	—
Increase (Decrease) in Net Pension Liability	88	11	71
Other Nonoperating Revenue (Expenses)	179	—	82
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	10,205	534	2,911
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Transfers In	—	59	—
Transfers from Governmental Funds	—	136	—
Operating Transfers Out	(309)	(265)	(2,574)
Transfers to Governmental Funds	(117)	—	—
Proceeds from Advances and Deposits	6,210	—	—
Payments for Advances and Deposits	(1,981)	(7)	(93)
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	3,803	(77)	(2,667)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Issuance of Long-Term Debt	8,346	—	—
Acquisition of Fixed Assets	(16,564)	(17)	(673)
Proceeds from the Sale of Fixed Assets	1,376	—	—
Principal Payment on Capital Lease	(1,983)	—	—
Interest Paid on Long-Term Debt	(495)	—	—
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(9,320)	(17)	(673)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends Received on Investments	—	1	43
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	—	1	43
Net Increase (Decrease) in Cash and Cash Equivalents	4,688	441	(386)
Cash and Cash Equivalents at Beginning of Year	22,164	970	2,588
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 26,852	\$ 1,411	\$ 2,202

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Print Shop	Self Insurance	Miscellaneous Internal Service	Totals	
			1999	1998
\$ 169	\$ (9,146)	\$ (7,506)	\$ (12,911)	\$ (14,671)
151	—	5	8,353	7,389
106	132	(2)	(757)	(17)
—	13	—	12	(18)
—	—	—	512	92
(4)	—	(2)	89	(64)
(275)	146	65	1,568	(613)
—	—	(24)	(24)	—
4	—	369	578	348
—	5	—	5	2,856
—	—	—	—	268
—	(13)	—	(13)	(5)
15	—	68	253	145
—	29	130	420	382
166	(8,834)	(6,897)	(1,915)	(3,908)
—	1,023	3,330	4,412	2,355
—	6,884	8,918	15,938	9,425
(41)	(7)	(1,032)	(4,228)	(697)
—	(175)	—	(292)	(1,893)
—	1,900	—	8,110	82
(22)	—	—	(2,103)	(55)
(63)	9,625	11,216	21,837	9,217
—	—	—	8,346	6,201
(82)	—	(11)	(17,347)	(14,008)
—	—	—	1,376	383
(24)	—	—	(2,007)	(997)
—	—	—	(495)	(279)
(106)	—	(11)	(10,127)	(8,700)
—	(38)	337	343	252
—	(38)	337	343	252
(3)	753	4,645	10,138	(3,139)
1,699	7,231	9,838	44,490	47,629
\$ 1,696	\$ 7,984	\$ 14,483	\$ 54,628	\$ 44,490



TRUST AND AGENCY FUNDS

TRUST AND AGENCY FUNDS INCLUDE EXPENDABLE, NONEXPENDABLE, AND PENSION TRUST AND AGENCY FUNDS. NONEXPENDABLE AND PENSION TRUST FUNDS ARE ACCOUNTED FOR AND REPORTED AS FIDUCIARY FUNDS SINCE CAPITAL MAINTENANCE IS CRITICAL. EXPENDABLE TRUST AND AGENCY FUNDS ARE ACCOUNTED FOR AND REPORTED SIMILAR TO GOVERNMENTAL FUNDS.

PENSION TRUST FUNDS

CITY OF SAN DIEGO REPORTING ENTITY

The following funds are included in the City of San Diego Reporting Entity:

CITY EMPLOYEES' RETIREMENT SYSTEM FUND

The City Employees' Retirement System ("CERS") Fund is under the control of the Retirement Board of Administration. It is a defined benefit plan, whereby funds are accumulated from contributions from both the City and employees' plus earnings from Fund investments. Disbursements are made for retirements, disability and death benefit payments, and refunds.

POST RETIREMENT HEALTH CARE

This fund was established to account for the costs of post-retirement health care benefits for the City Employees' Retirement System. Benefits are funded from contributions from CERS and from earnings on investments.

SUPPLEMENTAL PENSION SAVINGS PLAN FUND

The Supplemental Pension Savings Plan Fund is a defined contribution plan, where benefits depend solely on amounts contributed to the plan by both the City and employees', plus investment earnings. Disbursements are made from the fund for terminations, retirements, allowable yearly withdrawals, and loans.

CENTRE CITY DEVELOPMENT CORPORATION

The Centre City Development Corporation ("CCDC") pension fund accounts for the Corporation's defined contribution pension plans. Benefits depend solely on amounts contributed to the plans by both the Corporation and employees', plus investment earnings.

TRUST AND AGENCY FUNDS (Continued)

EXPENDABLE TRUST FUNDS

CITY OF SAN DIEGO REPORTING ENTITY

This fund was established to account for a variety of revenues such as contributions from developers, gifts and donations, and service charges which are used for stipulated purposes.

REDEVELOPMENT AGENCY

This fund was established to account for funds contributed by the Redevelopment Agency and others to pay for cleanup of underground gas plumes in the redevelopment area.

NONEXPENDABLE TRUST FUND

This fund was established to account for assets set aside to finance projects of a perpetual nature. The principal of the perpetuity fund (subject to accretion or diminution as may result from investments) is not available for meeting projects expenses. All income derived from the investment of the monies in said perpetuity fund, together with principal deposits, are expended for purposes established by the trusts' intent and overseen by cognizant commissions.

AGENCY FUNDS

These funds were established to account for assets held by the City as an agent for individuals, private organizations, other governments and/or funds; for example federal and state income taxes withheld from employees, 401(k) plan, parking citation revenues, and employee benefit plans.

FINANCIAL STATEMENTS

TRUST AND AGENCY FUNDS

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	Pension Trust
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 7,824
Cash or Equity in Pooled Cash and Investments - Nonexpendable Trust	---
Cash with Custodian/Fiscal Agent	---
Cash with Custodian/Fiscal Agent - Nonexpendable Trust	---
Investments at Fair Value	2,773,258
Receivables:	
Accounts - Net	---
Contributions	6,150
Accrued Interest	11,614
Loans	18,417
Securities Sold	33,718
Prepaid and Reimbursable Items and Deposits	20
Fixed Assets - Net	119
TOTAL ASSETS	\$ 2,851,120
LIABILITIES	
Accounts Payable	\$ 393
Accrued Wages and Benefits	249
Employees' Deferred Compensation/401(k) Plans	---
Due to Other Funds	---
Deferred Revenue	283
Advances from Other Funds	---
Deposits/Advances from Others	---
Sundry Trust Liabilities	---
Net Pension Liabilities	30
Securities Purchased	165,212
Contracts and Notes Payable	553
TOTAL LIABILITIES	166,720
FUND EQUITY	
Fund Balances:	
Reserved for Encumbrances	2,853
Reserved for Nonexpendable Trust	---
Reserved for Pension Benefits	2,681,547
Unreserved:	
Designated for Unrealized Gains	---
Designated for Subsequent Years' Expenditures	---
Undesignated	---
TOTAL FUND EQUITY	2,684,400
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,851,120

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

City of San Diego Reporting Entity			Totals	
Expendable Trust	Nonexpendable Trust	Agency	1999	1998
\$ 2,102	\$ ---	\$ 110,183	\$ 120,109	\$ 111,641
---	164	---	164	120
20	---	---	20	22
---	488	---	488	405
868	11,233	75,675	2,861,034	2,600,060
52	---	4,911	4,963	4,656
---	---	---	6,150	4,801
14	16	9	11,653	11,531
---	---	3,779	22,196	22,500
---	---	---	33,718	31,645
1	---	---	21	20
---	---	---	119	149
<u>\$ 3,057</u>	<u>\$ 11,901</u>	<u>\$ 194,557</u>	<u>\$ 3,060,635</u>	<u>\$ 2,787,550</u>
\$ 1	\$ 2	\$ 3,655	\$ 4,051	\$ 1,625
---	---	---	249	233
---	---	79,680	79,680	63,260
---	---	89,497	89,497	82,923
84	---	---	367	337
---	---	330	330	330
---	---	8,501	8,501	8,014
---	---	12,894	12,894	13,901
---	---	---	30	9
---	---	---	165,212	140,104
---	---	---	553	553
<u>85</u>	<u>2</u>	<u>194,557</u>	<u>361,364</u>	<u>311,289</u>
201	---	---	3,054	3,418
---	11,765	---	11,765	11,395
---	---	---	2,681,547	2,458,345
28	134	---	162	257
613	---	---	613	640
2,130	---	---	2,130	2,206
<u>2,972</u>	<u>11,899</u>	<u>---</u>	<u>2,699,271</u>	<u>2,476,261</u>
<u>\$ 3,057</u>	<u>\$ 11,901</u>	<u>\$ 194,557</u>	<u>\$ 3,060,635</u>	<u>\$ 2,787,550</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**TRUST AND AGENCY FUNDS
PENSION TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	City Employees' Retirement System
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 1,589
Investments at Fair Value	2,424,925
Receivables:	
Contributions	4,519
Accrued Interest	11,556
Loans	—
Securities Sold	33,718
Prepaid and Reimbursable Items and Deposits	20
Fixed Assets - Net	119
TOTAL ASSETS	\$ 2,476,446
LIABILITIES	
Accounts Payable	\$ 393
Accrued Wages and Benefits	249
Deferred Revenue	283
Net Pension Liabilities	30
Securities Purchased	165,212
Contracts and Notes Payable	553
TOTAL LIABILITIES	166,720
FUND EQUITY	
Fund Balances:	
Reserved for Encumbrances	2,853
Reserved for Pension Benefits	2,306,873
TOTAL FUND EQUITY	2,309,726
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,476,446

**COMPARATIVE STATEMENT OF CHANGES IN NET ASSETS
Year Ended June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

ADDITIONS	
Contributions	\$ 101,193
Earnings on Investments	180,464
Other Income (Expenses)	290
TOTAL OPERATING ADDITIONS	281,947
DEDUCTIONS	
Benefit and Claim Payments	99,946
Administration	3,208
Depreciation	28
TOTAL OPERATING DEDUCTIONS	103,182
NET INCREASE	178,765
Net Assets at Beginning of Year	2,130,961
Net Assets at End of Year	\$ 2,309,726

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

City of San Diego Reporting Entity

Post Retirement Health Care	Supplemental Pension Savings Plan	Centre City Development Corporation	Totals	
			1999	1998
\$ 6,233	\$ 2	\$ ---	\$ 7,824	\$ 7,228
---	343,351	4,982	2,773,258	2,528,417
---	1,631	---	6,150	4,801
58	---	---	11,614	11,481
---	18,417	---	18,417	19,137
---	---	---	33,718	31,645
---	---	---	20	20
---	---	---	119	149
<u>\$ 6,291</u>	<u>\$ 363,401</u>	<u>\$ 4,982</u>	<u>\$ 2,851,120</u>	<u>\$ 2,602,878</u>
\$ ---	\$ ---	\$ ---	\$ 393	\$ 57
---	---	---	249	233
---	---	---	283	293
---	---	---	30	9
---	---	---	165,212	140,104
---	---	---	553	553
---	---	---	166,720	141,249
---	---	---	2,853	3,284
6,291	363,401	4,982	2,681,547	2,458,345
6,291	363,401	4,982	2,684,400	2,461,629
<u>\$ 6,291</u>	<u>\$ 363,401</u>	<u>\$ 4,982</u>	<u>\$ 2,851,120</u>	<u>\$ 2,602,878</u>
\$ ---	\$ 35,571	\$ 469	\$ 137,233	\$ 121,276
325	35,184	414	216,387	310,054
---	---	---	290	267
325	70,755	883	353,910	431,597
---	27,748	201	127,895	105,091
---	---	8	3,216	4,187
---	---	---	28	52
---	27,748	209	131,139	109,330
325	43,007	674	222,771	322,267
5,966	320,394	4,308	2,461,629	2,139,362
<u>\$ 6,291</u>	<u>\$ 363,401</u>	<u>\$ 4,982</u>	<u>\$ 2,684,400</u>	<u>\$ 2,461,629</u>

THE CITY OF SAN DIEGO**ANNUAL FINANCIAL REPORT**

**TRUST AND AGENCY FUNDS
EXPENDABLE TRUST FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	City of San Diego Reporting Entity
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 2,102
Cash with Custodian/Fiscal Agent	1
Investments at Fair Value	868
Receivables:	
Accounts - Net	23
Accrued Interest	14
Prepaid and Reimbursable Items and Deposits	1
TOTAL ASSETS	\$ 3,009
LIABILITIES	
Accounts Payable	\$ 1
Deferred Revenue	55
TOTAL LIABILITIES	56
FUND EQUITY	
Fund Balances:	
Reserved for Encumbrances	182
Unreserved:	
Designated for Unrealized Gains	28
Designated for Subsequent Years' Expenditures	613
Undesignated	2,130
TOTAL FUND EQUITY	2,953
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,009

Redevelopment Agency	Totals	
	1999	1998
\$ ---	\$ 2,102	\$ 2,100
19	20	22
---	868	843
29	52	74
---	14	21
---	1	---
<u>\$ 48</u>	<u>\$ 3,057</u>	<u>\$ 3,060</u>
\$ ---	\$ 1	\$ 8
29	84	44
29	85	52
19	201	134
---	28	30
---	613	638
---	2,130	2,206
19	2,972	3,008
<u>\$ 48</u>	<u>\$ 3,057</u>	<u>\$ 3,060</u>

THE CITY OF SAN DIEGO**ANNUAL FINANCIAL REPORT**

**TRUST AND AGENCY FUNDS
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended June 30, 1999
With Comparative Figures for the Year Ended June 30, 1998
(In Thousands)**

	City of San Diego Reporting Entity
REVENUES	
Fines, Forfeitures and Penalties	\$ ---
Revenue from Use of Money and Property	204
Revenue from Private Sources	285
TOTAL REVENUES	489
EXPENDITURES	
Current:	
General Government	155
Public Safety	1
Libraries	101
Parks, Recreation and Culture	40
Public Transportation	---
Miscellaneous and Unallocated	---
Capital Projects	224
TOTAL EXPENDITURES	521
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(32)
OTHER FINANCING SOURCES (USES)	
Transfers from Other Funds	---
Transfers to Other Funds	(2)
TOTAL OTHER FINANCING SOURCES (USES)	(2)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES	(34)
Fund Balances at Beginning of Year	2,987
FUND BALANCES AT END OF YEAR	\$ 2,953

Redevelopment Agency	Totals	
	1999	1998
\$ ---	\$ ---	\$ 4
42	246	279
---	285	683
42	531	966
---	155	379
---	1	1
---	101	118
---	40	29
---	---	16
---	---	2
44	268	390
44	565	935
(2)	(34)	31
---	---	120
---	(2)	---
---	(2)	120
(2)	(36)	151
21	3,008	2,857
\$ 19	\$ 2,972	\$ 3,008

THE CITY OF SAN DIEGO**ANNUAL FINANCIAL REPORT**

**TRUST AND AGENCY FUNDS
AGENCY FUNDS
COMBINING BALANCE SHEET
June 30, 1999
With Comparative Figures for June 30, 1998
(In Thousands)**

	<u>Employee Benefits</u>
ASSETS	
Cash or Equity in Pooled Cash and Investments	\$ 6,915
Investments at Fair Value	---
Receivables:	
Accounts - Net	4
Accrued Interest	---
Loans	---
 TOTAL ASSETS	 \$ 6,919
 LIABILITIES	
Accounts Payable	\$ 1,139
Employees' Deferred Compensation/401(k) Plans	---
Due to Other Funds.....	---
Advances from Other Funds	---
Deposits/Advances from Others	---
Sundry Trust Liabilities	5,780
 TOTAL LIABILITIES	 \$ 6,919

Employees' 401(k)	Other Miscellaneous Agency	Totals	
		1999	1998
\$ 226	\$ 103,042	\$ 110,183	\$ 102,311
75,675	—	75,675	59,719
---	4,907	4,911	4,582
---	9	9	12
<u>3,779</u>	<u>---</u>	<u>3,779</u>	<u>3,363</u>
 <u>\$ 79,680</u>	 <u>\$ 107,958</u>	 <u>\$ 194,557</u>	 <u>\$ 169,987</u>
 \$ ---	 \$ 2,516	 \$ 3,655	 \$ 1,559
79,680	---	79,680	63,260
---	89,497	89,497	82,923
---	330	330	330
---	8,501	8,501	8,014
<u>---</u>	<u>7,114</u>	<u>12,894</u>	<u>13,901</u>
<u>\$ 79,680</u>	<u>\$ 107,958</u>	<u>\$ 194,557</u>	<u>\$ 169,987</u>

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 1999
(In Thousands)

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>ENDING BALANCE</u>
CITY OF SAN DIEGO REPORTING ENTITY				
Employee Benefits				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 6,404	\$ 38,104	\$ 37,593	\$ 6,915
Receivables:				
Accounts - Net	11	134	141	4
TOTAL ASSETS	<u>\$ 6,415</u>	<u>\$ 38,238</u>	<u>\$ 37,734</u>	<u>\$ 6,919</u>
LIABILITIES				
Accounts Payable	\$ 349	\$ 24,289	\$ 23,499	\$ 1,139
Sundry Trust Liabilities	6,066	38,664	38,950	5,780
TOTAL LIABILITIES	<u>\$ 6,415</u>	<u>\$ 62,953</u>	<u>\$ 62,449</u>	<u>\$ 6,919</u>
Employees' 401(k)				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 178	\$ 225	\$ 177	\$ 226
Investments at Fair Value	59,719	21,213	5,257	75,675
Receivables:				
Loans	3,363	2,145	1,729	3,779
TOTAL ASSETS	<u>\$ 63,260</u>	<u>\$ 23,583</u>	<u>\$ 7,163</u>	<u>\$ 79,680</u>
LIABILITIES				
Employees' Deferred Compensation/401K Plans	<u>\$ 63,260</u>	<u>\$ 19,483</u>	<u>\$ 3,063</u>	<u>\$ 79,680</u>

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES Year Ended June 30, 1999 (In Thousands)

	BEGINNING BALANCE	ADDITIONS	DEDUCTIONS	ENDING BALANCE
CITY OF SAN DIEGO REPORTING ENTITY (Continued):				
Other Miscellaneous Agency				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 95,729	\$ 855,376	\$ 848,063	\$ 103,042
Receivables:				
Accounts - Net	4,571	14,135	13,799	4,907
Accrued Interest	12	4	7	9
TOTAL ASSETS	\$ 100,312	\$ 869,515	\$ 861,869	\$ 107,958
LIABILITIES				
Accounts Payable	\$ 1,210	\$ 69,050	\$ 67,744	\$ 2,516
Due to Other Funds	82,923	89,496	82,922	89,497
Advances from Other Funds	330	---	---	330
Deposits/Advances from Others	8,014	5,022	4,535	8,501
Sundry Trust Liabilities	7,835	118,907	119,628	7,114
TOTAL LIABILITIES	\$ 100,312	\$ 282,475	\$ 274,829	\$ 107,958
TOTAL AGENCY FUNDS-CITY OF SAN DIEGO REPORTING ENTITY				
ASSETS				
Cash or Equity in Pooled Cash and Investments	\$ 102,311	\$ 893,705	\$ 885,833	\$ 110,183
Investments at Fair Value	59,719	21,213	5,257	75,675
Receivables:				
Accounts - Net	4,582	14,269	13,940	4,911
Accrued Interest	12	4	7	9
Loans	3,363	2,145	1,729	3,779
TOTAL ASSETS	\$ 169,987	\$ 931,336	\$ 906,766	\$ 194,557
LIABILITIES				
Accounts Payable	\$ 1,559	\$ 93,339	\$ 91,243	\$ 3,655
Employees' Deferred Compensation/401 (k) Plan	63,260	19,483	3,063	79,680
Due to Other Funds	82,923	89,496	82,922	89,497
Advances from Other Funds	330	---	---	330
Deposits/Advances from Others	8,014	5,022	4,535	8,501
Sundry Trust Liabilities	13,901	157,571	158,578	12,894
TOTAL LIABILITIES	\$ 169,987	\$ 364,911	\$ 340,341	\$ 194,557



GENERAL FIXED ASSETS ACCOUNT GROUP

THIS ACCOUNT GROUP IS USED TO PRESENT THE GENERAL FIXED ASSETS OF THE CITY UTILIZED IN ITS GENERAL OPERATIONS, EXCLUSIVE OF THOSE USED IN ENTERPRISE AND INTERNAL SERVICE FUNDS. GENERAL FIXED ASSETS INCLUDE LAND, BUILDINGS, BETTERMENTS, AND EQUIPMENT OWNED BY THE CITY.

FINANCIAL STATEMENTS

GENERAL FIXED ASSETS ACCOUNT GROUP

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**GENERAL FIXED ASSETS
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
June 30, 1999
(In Thousands)**

	<u>Land</u>	<u>Structures and Improvements</u>	<u>Equipment</u>	<u>Total</u>
GENERAL GOVERNMENT DEPARTMENTS				
Legislative	\$ ---	\$ 10	\$ 1,779	\$ 1,789
Executive	1,460	104	1,337	2,901
Finance	---	---	13,466	13,466
Law	283	1,419	1,394	3,096
Planning and Zoning	---	---	1,881	1,881
Personnel Administration	---	---	379	379
Buildings and Grounds	62,164	42,312	---	104,476
Total General Government Departments	63,907	43,845	20,236	127,988
PUBLIC SAFETY DEPARTMENTS				
Police	5,145	76,435	43,142	124,722
Fire and Life Safety	2,177	20,283	29,498	51,958
Total Public Safety Departments	7,322	96,718	72,640	176,680
GENERAL SERVICE DEPARTMENTS				
Public Works	1,074	2,640	7,779	11,493
Streets and Highways	41,481	109,986	10,609	162,076
Waste Collection and Disposal	17	279	252	548
Libraries	12,256	18,498	2,585	33,339
Parks and Recreation	234,189	110,522	11,719	356,430
Housing and Community Development	71,902	58,550	3,969	134,421
Cemetery	1	142	158	301
Zoo	---	104,082	39,747	143,829
Data Processing	---	---	10	10
Total General Service Departments	360,920	404,699	76,828	842,447
TOTAL GENERAL CITY FIXED ASSETS				
ALLOCATED TO FUNCTIONS	\$ 432,149	\$ 545,262	\$ 169,704	1,147,115
Construction Work in Progress				255,832
TOTAL GENERAL CITY FIXED ASSETS				\$ 1,402,947

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

GENERAL FIXED ASSETS SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY Year Ended June 30, 1999 (In Thousands)

	General Fixed Assets July 1, 1998	Additions	Transfers	Deductions	General Fixed Assets June 30, 1999
GENERAL GOVERNMENT DEPARTMENTS					
Legislative	\$ 1,319	\$ 492	\$ (112)	\$ (90)	\$ 1,789
Executive	3,654	(194)	(451)	108	2,901
Finance	8,768	1,901	3,156	359	13,466
Law	3,143	66	(6)	107	3,096
Planning and Zoning	2,455	301	(442)	433	1,881
Personnel Administration	376	36	---	33	379
Buildings and Grounds	105,650	2	1,569	2,745	104,476
Total General Government Departments	125,365	2,604	3,714	3,695	127,988
PUBLIC SAFETY DEPARTMENTS					
Police	127,254	13,055	(1,103)	14,484	124,722
Fire and Life Safety	53,856	2,700	37	4,635	51,958
Total Public Safety Departments	181,110	15,755	(1,066)	19,119	176,680
GENERAL SERVICE DEPARTMENTS					
Public Works	17,480	813	193	6,993	11,493
Streets and Highways	79,870	2,046	80,457	297	162,076
Waste Collection and Disposal	633	15	(1)	99	548
Libraries	32,076	1,921	(138)	520	33,339
Parks and Recreation	344,967	13,713	(165)	2,085	356,430
Housing and Community Development	95,880	41,569	(19)	3,009	134,421
Cemetery	380	14	(51)	42	301
Zoo	138,696	5,385	---	252	143,829
Data Processing	10	---	---	---	10
Total General Service Departments	709,992	65,476	80,276	13,297	842,447
TOTAL GENERAL CITY FIXED ASSETS					
ALLOCATED TO FUNCTIONS	\$ 1,016,467	\$ 83,835	\$ 82,924	\$ 36,111	1,147,115
Construction Work in Progress					255,832
TOTAL GENERAL CITY FIXED ASSETS					\$ 1,402,947



GENERAL LONG-TERM DEBT ACCOUNT GROUP

THIS ACCOUNT GROUP IS ESTABLISHED TO ACCOUNT FOR ALL LONG-TERM DEBT OF THE CITY, EXCEPT FOR THAT ACCOUNTED FOR IN THE PROPRIETARY FUND TYPES.

FINANCIAL STATEMENTS

GENERAL LONG-TERM DEBT ACCOUNT GROUP

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

GENERAL LONG-TERM DEBT GROUP OF ACCOUNTS SCHEDULE OF GENERAL LONG-TERM DEBT June 30, 1999 (In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT	City of San Diego	Centre City Development Corporation	City of San Diego/ MTDB Authority
AMOUNT AVAILABLE IN:			
Special Revenue Funds	\$ ---	\$ ---	\$ ---
Debt Service Funds	17,190	---	11,638
Total Amount Available	17,190	---	11,638
AMOUNT TO BE PROVIDED FOR:			
Payment of Contracts	---	---	---
Payment of Notes	30,041	---	---
Payment of Bonds:			
General Obligation Bonds	18,255	---	---
Revenue Bonds/Certificates of Participation	2,721	---	55,707
Special Assessment Bonds	96,569	---	---
Tax Allocation Bonds	---	---	---
Payment of Capital Leases	17,551	---	---
Net Pension Obligation	7,550	---	---
Liability Claims	31,605	---	---
Accrued Annual Leave	44,859	106	---
Total Amount to be Provided	249,151	106	55,707
TOTAL AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT	\$ 266,341	\$ 106	\$ 67,345

GENERAL LONG-TERM DEBT PAYABLE

Bonds Payable:			
General Obligation Bonds	\$ 20,200	\$ ---	\$ ---
Revenue Bonds/Certificates of Participation	3,700	---	67,345
Special Assessment/Mello-Roos Bonds	110,835	---	---
Tax Allocation Bonds	---	---	---
Total Bonds Payable	134,735	---	67,345
Contracts Payable	---	---	---
Notes Payable	30,041	---	---
Capital Lease Obligations	17,551	---	---
Pension Obligations	7,550	---	---
Liability Claims	31,605	---	---
Accrued Annual Leave	44,859	106	---
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ 266,341	\$ 106	\$ 67,345

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

Convention Center Expansion Financing Authority	Housing Authority	Public Facilities Financing Authority	Redevelopment Agency	San Diego Facilities and Equipment Leasing Corporation	San Diego Open Space Park Facilities District #1	Southeastern Economic Development Corporation	Total
\$ ---	\$ ---	\$ ---	\$ 31,637	\$ ---	\$ ---	\$ ---	\$ 31,637
7,267	---	64,283	24,195	32,659	778	---	158,010
7,267	---	64,283	55,832	32,659	778	---	189,647
---	---	---	697	---	---	---	697
---	64,215	---	4,820	---	---	---	99,076
---	---	---	---	---	53,277	---	71,532
197,733	---	1,122,092	---	417,401	---	---	1,795,654
---	---	---	---	---	---	---	96,569
---	---	---	108,557	---	---	---	108,557
---	---	---	---	---	---	---	17,551
---	---	---	---	---	---	---	7,550
---	---	---	---	---	---	---	31,605
---	---	---	---	---	---	48	45,013
197,733	64,215	1,122,092	114,074	417,401	53,277	48	2,273,804
\$ 205,000	\$ 64,215	\$ 1,186,375	\$ 169,906	\$ 450,060	\$ 54,055	\$ 48	\$ 2,463,451
\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ 54,055	\$ ---	\$ 74,255
205,000	---	1,186,375	---	450,060	---	---	1,912,480
---	---	---	---	---	---	---	110,835
---	---	---	164,215	---	---	---	164,215
205,000	---	1,186,375	164,215	450,060	54,055	---	2,261,785
---	---	---	717	---	---	---	717
---	64,215	---	4,974	---	---	---	99,230
---	---	---	---	---	---	---	17,551
---	---	---	---	---	---	---	7,550
---	---	---	---	---	---	---	31,605
---	---	---	---	---	---	48	45,013
\$ 205,000	\$ 64,215	\$ 1,186,375	\$ 169,906	\$ 450,060	\$ 54,055	\$ 48	\$ 2,463,451



**STATISTICAL SECTION
(NOT AUDITED)**

STATISTICAL DATA AND TABLES

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(In Thousands)

Table 1

Fiscal Year Ended June 30	General Government	Public Safety	Libraries	Parks, Recreation and Culture	Public Works	Community Development, Transportation and Social Services	Other	Debt Service	Capital Projects	Total
1990	\$68,056	\$203,465	\$13,833	\$88,785	\$86,789	\$72,430	\$11,123	\$35,354	\$119,709	\$699,544
1991	80,613	222,880	15,541	91,607	93,586	77,183	15,561	36,622	99,438	733,031
1992	80,978	237,181	17,166	94,566	104,921	96,056	10,193	44,363	138,478	823,902
1993	83,515	241,802	16,683	86,810	101,788	100,037	2,308	39,022	101,778	773,743
1994	85,081	248,693	17,769	69,468	100,244	93,475	2,007	59,622	301,898	978,257
1995	93,847	251,477	19,043	77,516	104,392	107,635	1,989	64,261	215,378	935,538
1996	87,303	272,166	19,529	84,414	110,864	111,202	2,517	84,514	326,797	1,095,306
1997	71,379	292,981	21,568	83,654	110,961	125,339	12,959	92,160	381,991	1,192,992
1998	73,424	311,894	23,118	88,716	124,580	122,662	2,838	123,528	289,299	1,160,059
1999	77,906	356,359	24,314	99,504	136,474	122,146	12,891	130,187	440,153	1,399,934

GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(In Thousands)

Table 2

Fiscal Year Ended June 30	Property Taxes	Special Assessments	Sales Taxes	Other Local Taxes	Licenses and Permits	Fines and Forfeitures	Revenue from Use of Money and Property	Revenue from Agencies and Private Sources	Charges for Current Services	Other	Total
1990	117,406	13,667	117,904	96,131	13,004	13,584	85,511	167,107	47,797	4,914	677,025
1991	127,052	22,095	119,656	91,845	25,911	20,617	92,692	161,824	55,712	7,461	724,865
1992	134,836	13,668	119,323	112,576	24,129	16,618	85,492	160,976	61,632	8,938	738,188
1993	123,695	27,024	125,893	108,190	24,508	16,231	77,427	157,580	61,505	10,102	732,155
1994	140,545	17,193	130,914	109,316	29,041	17,905	64,691	223,090	67,635	10,775	811,105
1995	139,719	17,196	139,714	119,703	30,878	18,443	72,684	217,201	75,857	18,674	850,069
1996	137,997	20,367	114,218	150,684	29,806	17,498	85,005	239,172	80,016	10,834	885,587
1997	139,404	23,142	132,628	156,684	26,553	18,370	88,239	251,111	80,275	19,406	935,812
1998	150,409	17,573	174,615	155,587	30,735	17,953	98,275	276,065	78,209	23,640	1,023,061
1999	160,658	19,630	179,037	161,928	34,854	25,541	112,804	341,204	82,427	10,544	1,128,627

NOTE: Beginning in 1994, excludes discretely presented component unit from both tables.

Both Tables include all governmental fund types and expendable trust funds.

**GENERAL FUND
GENERAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30	Total General Revenue	Property Taxes	Sales Tax	Other Local Taxes	Licenses and Permits	Fines, Forfeitures and Penalties	Revenue from Use of Money and Property	Revenue from Other Agencies and Private Sources	Charges for Current Services	Other Revenue and Fund Transfers	Table 3								
1990	\$401,121	\$117,406	29.3 %	96,288	24.0 %	\$39,377	9.8 %	\$8,677	2.2 %	\$12,829	3.2 %	\$29,796	7.4 %	\$45,871	11.4 %	\$39,760	9.9 %	\$11,117	2.8 %
1991	430,751	127,052	29.5	89,103	20.7	41,838	9.7	16,556	3.8	17,595	4.1	30,208	7.0	43,263	10.0	45,088	10.5	20,048	4.7
1992	443,515	132,786	29.9	91,553	20.6	43,662	9.9	19,054	4.3	13,993	3.2	26,842	6.1	41,387	9.3	53,625	12.1	20,613	4.6
1993	455,255	121,314	26.6	95,915	21.1	48,408	10.6	19,909	4.4	13,951	3.1	23,994	5.3	41,684	9.2	52,628	11.6	37,452	8.2
1994	461,510	112,602	24.4	97,958	21.2	47,311	10.3	25,509	5.5	16,232	3.5	22,471	4.9	44,594	9.7	62,032	13.4	32,801	7.1
1995	475,245	112,472	23.7	92,677	19.5	55,914	11.8	25,820	5.4	16,902	3.6	25,445	5.4	43,394	9.1	68,435	14.4	34,186	7.2
1996	494,137	112,814	22.8	101,304	20.5	59,377	12.0	23,922	4.8	16,640	3.4	25,706	5.2	45,655	9.2	71,521	14.5	37,198	7.5
1997	511,715	114,841	22.4	104,327	20.4	69,165	13.5	21,750	4.3	17,125	3.3	24,249	4.7	48,670	9.5	71,884	14.0	39,704	7.8
1998	555,524	123,012	22.1	117,985	21.2	83,796	15.1	19,272	3.5	16,170	2.9	30,789	5.5	53,603	9.6	67,825	12.2	43,072	7.8
1999	581,138	130,624	22.5	128,339	22.1	86,968	15.0	20,630	3.5	23,613	4.1	29,940	5.2	57,723	9.9	70,244	12.1	33,057	5.7

**GENERAL FUND
EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS
(In Thousands)**

Fiscal Year Ended June 30	Total General Expenditures	General Government	Community and Economic Development	Public Safety	Libraries	Parks, Recreation and Culture	Public Works	Claims	Other Expenditures and Transfers
1990	\$391,710	\$48,170	12.3 %	\$10,593	2.7 %	\$32,764	8.4 %	\$9,046	2.3 %
1991	439,468	56,017	12.8	11,539	2.6	35,257	8.0	13,268	3.0
1992	454,265	56,906	12.5	11,387	2.5	36,570	8.0	7,597	1.7
1993	453,806	55,186	12.2	12,946	2.9	35,141	7.7	7,735	1.7
1994	466,113	55,653	11.9	14,786	3.2	34,779	7.5	9,577	2.1
1995	480,138	65,245	13.6	9,792	2.0	37,162	7.7	2,897	0.6
1996	497,383	61,286	12.3	10,252	2.1	37,541	7.5	5,146	1.0
1997	513,069	62,017	12.1	13,037	2.5	40,469	7.9	268	0.1
1998	545,043	64,725	11.9	13,967	2.6	41,561	7.6	606	0.1
1999	583,726	67,405	11.5	14,740	2.5	44,910	7.7	6,884	1.2

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

**CITY OF SAN DIEGO OVERSIGHT UNIT
ASSESSED VALUATION OF ALL TAXABLE PROPERTY - EXCLUDING REDEVELOPMENT PROJECTS
(100% OF FULL VALUE IN THOUSANDS OF DOLLARS)
Fiscal Years 1989-90 to 1999-00**

	1999-00	1998-99	1997-98
GROSS			
Secured - Locally Assessed	\$75,735,993	\$68,569,476	\$63,490,451
Utilities - State Assessed	52,758	79,133	72,137
Total Secured Valuation	75,788,751	68,648,609	63,562,588
Unsecured - Locally Assessed	5,852,822	5,337,916	4,988,950
Total Gross Valuation	81,641,573	73,986,525	68,551,538
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,661,739	2,681,423	2,526,872
Unsecured - Locally Assessed	325,881	313,391	383,881
Total Exemptions	2,987,620	2,994,814	2,910,753
NET ASSESSED VALUATION FOR TAX RATE			
Secured - Locally Assessed	73,074,254	65,888,053	60,963,579
Utilities - State Assessed	52,758	79,133	72,137
Net Secured	73,127,012	65,967,186	61,035,716
Unsecured - Locally Assessed	5,526,941	5,024,525	4,605,069
Net Assessed Valuation for Tax Rate	\$78,653,953	\$70,991,711	\$65,640,785
Percentage Increase (Decrease) Over Base Year	10.793%	8.152%	2.737%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	\$1,338,820	\$1,276,862	\$1,277,934
Unsecured - Locally Assessed	2,491	2,211	2,106
Total Homeowners' Exemptions	1,341,311	1,279,073	1,280,040
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	71,735,434	64,611,191	59,685,645
Utilities - State Assessed	52,758	79,133	72,137
Net Secured	71,788,192	64,690,324	59,757,782
Unsecured - Locally Assessed	5,524,450	5,022,314	4,602,963
Net Assessed Valuation	\$77,312,642	\$69,712,638	\$64,360,745

* Effective July 1, 1988 Assembly Bill 454, Chapter 921, eliminated the reporting of the unitary valuations pertaining to public utilities such as San Diego Gas and Electric and Pacific Telephone. In lieu of the property tax on these previously included assessed valuations, the City will receive from the State (through the County) an amount of unitary revenue based upon the unitary property tax received in the prior year.

Table 5

1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
\$61,816,965 76,937	\$61,723,445 70,315	\$60,870,172 69,823	\$60,513,469 72,660	\$59,693,810 94,090	\$57,481,282 82,149	\$53,692,153 64,653
61,893,902	61,793,760	60,939,995	60,586,129	59,787,900	57,563,431	53,756,806
4,353,543	4,303,198	4,371,923	4,218,892	4,059,854	3,946,532	3,885,132
66,247,445	66,096,958	65,311,918	64,805,021	63,847,754	61,509,963	57,641,938
2,261,774	2,297,545	2,227,928	2,133,694	1,967,389	1,705,172	1,598,323
93,400	191,962	192,099	227,047	132,379	87,776	77,740
2,355,174	2,489,507	2,420,027	2,360,741	2,099,768	1,792,948	1,676,063
59,555,191 76,937	59,425,900 70,315	58,642,244 69,823	58,379,775 72,660	57,726,421 94,090	55,776,110 82,149	52,093,830 64,653
59,632,128	59,496,215	58,712,067	58,452,435	57,820,511	55,858,259	52,158,483
4,260,143	4,111,236	4,179,824	3,991,845	3,927,475	3,858,756	3,807,392
\$63,892,271	\$63,607,451	\$62,891,891	\$62,444,280	\$61,747,986	\$59,717,015	\$55,965,875
1.573%	1.138%	0.717%	1.128%	3.401%	6.703%	11.806%
\$1,261,478	\$1,260,398	\$1,250,382	\$1,234,435	\$1,198,029	\$1,181,578	\$1,162,282
1,863	1,475	1,590	1,398	1,414	1,561	1,583
1,263,341	1,261,873	1,251,972	1,235,833	1,199,443	1,183,139	1,163,865
58,293,713 76,937	58,165,502 70,315	57,391,862 69,823	57,145,340 72,660	56,528,392 94,090	54,594,532 82,149	50,931,548 64,653
58,370,650	58,235,817	57,461,685	57,218,000	56,622,482	54,676,681	50,996,201
4,258,280	4,109,761	4,178,233	3,990,447	3,926,061	3,857,195	3,805,809
\$62,628,930	\$62,345,578	\$61,639,918	\$61,208,447	\$60,548,543	\$58,533,876	\$54,802,010

THE CITY OF SAN DIEGO

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CITY OF SAN DIEGO OVERSIGHT UNIT ASSESSED VALUATION OF ALL TAXABLE PROPERTY - REDEVELOPMENT AREAS ONLY (100% OF FULL VALUE IN THOUSANDS) Fiscal Years 1989-90 to 1998-99

	1999-00	1998-99	1997-98
GROSS			
Secured - Locally Assessed	\$6,049,675	\$4,419,599	\$4,134,677
Utilities - State Assessed	15,096	6,522	4,761
Total Secured Valuation	6,064,771	4,426,121	4,139,438
Unsecured - Locally Assessed	435,459	283,966	210,919
Total Gross Valuation	6,500,230	4,710,087	4,350,357
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	288,034	252,455	209,544
Unsecured - Locally Assessed	17,663	9,660	2,182
Total Exemptions	305,697	262,115	211,726
NET ASSESSED VALUATION FOR TAX RATE			
Secured - Locally Assessed	5,761,641	4,167,144	3,925,133
Utilities - State Assessed	15,096	6,522	4,761
Net Secured	5,776,737	4,173,666	3,929,894
Unsecured - Locally Assessed	417,796	274,306	208,737
Net Assessed Valuation for Tax Rate	\$6,194,533	\$4,447,972	\$4,138,631
Percentage Increase (Decrease) Over Base Year	39.266%	7.474%	2.108%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	\$41,066	\$31,658	\$31,086
Unsecured - Locally Assessed	---	---	95
Total Homeowners' Exemptions	41,066	31,658	31,181
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	---	---	---
Utilities - State Assessed	---	---	---
Total Business Inventory Exemptions	---	---	---
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	5,720,575	4,135,486	3,894,047
Utilities - State Assessed	15,096	6,522	4,761
Net Secured	5,735,671	4,142,008	3,898,808
Unsecured - Locally Assessed	417,796	274,306	208,642
Net Assessed Valuation	\$6,153,467	\$4,416,314	\$4,107,450

* Effective July 1, 1988 Assembly Bill 454, Chapter 921, eliminated the reporting of the unitary valuations pertaining to public utilities such as San Diego Gas and Electric and Pacific Telephone. In lieu of the property tax on these previously included assessed valuations, the City will receive from the State (through the County) an amount of unitary revenue based upon the unitary property tax received in the prior year.

Table 6

1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
<u>\$4,025,263</u> 4,738	<u>\$4,135,274</u> 5,062	<u>\$4,379,146</u> 5,512	<u>\$4,550,121</u> 5,643	<u>\$2,112,777</u> 4,481	<u>\$1,911,902</u> 3,619	<u>\$1,633,048</u> ---
4,030,001	4,140,336	4,384,658	4,555,764	2,117,258	1,915,521	1,633,048
<u>207,457</u>	<u>209,922</u>	<u>205,651</u>	<u>160,863</u>	<u>135,711</u>	<u>126,389</u>	<u>119,414</u>
<u>4,237,458</u>	<u>4,350,258</u>	<u>4,590,309</u>	<u>4,716,627</u>	<u>2,252,969</u>	<u>2,041,910</u>	<u>1,752,462</u>
183,474	178,509	172,316	142,730	30,579	26,777	26,044
812	2,049	2,295	2,051	3,734	1,931	1,304
<u>184,286</u>	<u>180,558</u>	<u>174,611</u>	<u>144,781</u>	<u>34,313</u>	<u>28,708</u>	<u>27,348</u>
<u>3,841,789</u> 4,738	<u>3,956,765</u> 5,062	<u>4,206,830</u> 5,512	<u>4,407,391</u> 5,643	<u>2,082,198</u> 4,481	<u>1,885,125</u> 3,619	<u>1,607,004</u> ---
3,846,527	3,961,827	4,212,342	4,413,034	2,086,679	1,888,744	1,607,004
<u>206,645</u>	<u>207,873</u>	<u>203,356</u>	<u>158,812</u>	<u>131,977</u>	<u>124,458</u>	<u>118,110</u>
<u>\$4,053,172</u>	<u>\$4,169,700</u>	<u>\$4,415,698</u>	<u>\$4,571,846</u>	<u>\$2,218,656</u>	<u>\$2,013,202</u>	<u>\$1,725,114</u>
-2.795%	-5.571%	-3.415%	106.064%	10.205%	16.700%	15.845%
\$29,752	\$29,560	\$29,778	\$29,394	\$6,850	\$6,536	\$6,527
95	49	27	7	7	---	7
<u>29,847</u>	<u>29,609</u>	<u>29,805</u>	<u>29,401</u>	<u>6,857</u>	<u>6,536</u>	<u>6,534</u>
---	---	---	---	---	---	---
---	---	---	---	---	---	---
---	---	---	---	---	---	---
<u>3,812,037</u> 4,738	<u>3,927,205</u> 5,062	<u>4,177,052</u> 5,512	<u>4,377,997</u> 5,643	<u>2,075,348</u> 4,481	<u>1,878,589</u> 3,619	<u>1,600,477</u> ---
3,816,775	3,932,267	4,182,564	4,383,640	2,079,829	1,882,208	1,600,477
<u>206,550</u>	<u>207,824</u>	<u>203,329</u>	<u>158,805</u>	<u>131,970</u>	<u>124,458</u>	<u>118,103</u>
<u>\$4,023,325</u>	<u>\$4,140,091</u>	<u>\$4,385,893</u>	<u>\$4,542,445</u>	<u>\$2,211,799</u>	<u>\$2,006,666</u>	<u>\$1,718,580</u>

THE CITY OF SAN DIEGO ANNUAL FINANCIAL REPORT

TAX RATES PER \$100 OF ASSESSED VALUATION LAST TEN FISCAL YEARS

Table 7

Fiscal Year Ended June 30	Zoological Exhibits Fund	Bond Interest & Redemption Fund	Total City	Schools	One Percent Property Tax Allocation (A)	Grand Total (B)
1990	0.005	0.0049	0.0099	0.0267	1.00	1.0366
1991	0.005	0.0041	0.0091	0.0272	1.00	1.0363
1992	0.005	0.0067	0.0117	0.0432	1.00	1.0549
1993	0.005	0.0036	0.0086	0.1001	1.00	1.1087
1994	0.005	0.0036	0.0086	0.1000	1.00	1.1086
1995	0.005	0.0033	0.0083	0.1002	1.00	1.1085
1996	0.005	0.0033	0.0083	0.1002	1.00	1.1085
1997	0.005	0.0034	0.0084	0.0993	1.00	1.1077
1998	0.005	0.0034	0.0084	0.0993	1.00	1.1077
1999	0.005	0.0029	0.0079	0.0963	1.00	1.1042

- (A) Under existing provisions of the California Constitution, the maximum ad valorem property tax rate which may be imposed on real property may not exceed \$4.00 except to pay the interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978. The City shares this tax rate in proportion to other local agencies based on an average of property tax received in the three fiscal years prior to 1978-79.
- (B) Effective January 1, 1981, a change in state law required the County Assessor to assess all taxable property at 100% full value as opposed to the prior practice of assessing property at 25% of full value. As a result, taxing agencies were required to fix tax rates based on full value instead of the prior practice of fixing tax rates based on 25% of full value.

SCHEDULE OF LEGAL DEBT MARGIN June 30, 1999 (In Thousands)

Table 8

	For Water Purposes	General Obligation Bonds* For Other Purposes	Total
Assessed Valuation: July 1, 1999 - \$19,663,488 ***			
Debt Limits**	\$2,949,523	\$1,966,349	\$4,915,872
Outstanding General Obligation Bonds	---	20,198	20,198
Less: Cash Reserve for Matured and Unpaid Bonds	---	2	2
Outstanding General Obligation Bonds Applicable to Debt Limit	---	20,200	20,200
LEGAL DEBT MARGIN	\$2,949,523	\$1,946,149	\$4,895,672
Percentage of Outstanding Debt to Legal Debt Limits	0.00%	1.38%	1.38%

* All City of San Diego General Obligation Bonds are serially numbered and redeemable from special tax levy.

** Section 90 of the City Charter provides that the bonded indebtedness for the development, conservation and furnishings of water shall not exceed 15% of the last preceding assessed valuation of all real and personal property of the City subject to direct taxation, and that the bonded indebtedness for other municipal improvements shall not exceed 10% of such valuation.

*** Beginning January 1, 1981, a change in State law required the County Assessor to assess all taxable property at 100% of full value as opposed to the prior practice of assessing property at 25% of full value. To be in compliance with the City Charter, the assessed valuation used for this Statement is at 25% of full value.

LEVIES AND TAXES RECEIVED BY CITY - SECURED PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Table 9

Fiscal Year Ended June 30	Tax Levy	Receipt of Current Year's Taxes During Fiscal Year***	Percentage of Levy Received During Fiscal Year	Receipt of Prior Years' Taxes During Fiscal Year	Total Taxes Received	Prior Years' Tax Levy Adjustments	Ratio of Total Receipts to Tax Levy *	Accumulated Delinquent Taxes **	Ratio of Delinquent Taxes to Tax Levy *
1990	\$115,361	\$109,990	95.34 %	\$3,387	\$113,377	(\$1,295)	92.39 %	\$8,647	4.15 %
1991	125,823	116,952	92.95	3,558	120,510	(219)	88.81	10,084	4.15
1992	127,143	121,308	95.41	3,845	125,153	(5,026)	93.30	12,017	4.22
1993	120,574	114,821	95.23	5,046	119,867	(8,431)	94.89	14,184	4.43
1994	109,881	105,911	96.39	4,827	110,738	(9,013)	99.02	10,968	4.44
1995	109,754	104,295	95.03	3,897	108,192	(6,542)	95.63	9,920	4.43
1996	111,281	108,137	97.18	2,376	110,513	(6,208)	96.71	9,203	4.43
1997	111,719	108,676	97.28	1,887	110,563	(5,640)	96.48	8,523	4.43
1998	116,912	114,311	97.78	3,118	117,429	(4,287)	97.64	7,639	4.43
1999	127,846	124,267	97.20	2,656	126,923	(3,311)	96.79	6,593	4.42

* After giving effect to prior years' tax levy adjustments and delinquent taxes.

** Estimated.

*** Includes Accruals after 1988.

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	Estimated Population	Assessed Valuation *	Gross Bonded Debt **	Debt Service Monies Available *	Debt Payable from Enterprise Revenues	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt	Net Bonded Debt Per Capita
1990	1,118,300	\$50,056,168	\$75,438	\$817	---	0.149 %	\$74,621	\$66.73
1991	1,130,034	55,985,875	98,040	568	---	0.174	97,472	86.26
1992	1,149,598	59,717,015	95,150	3,959	---	0.153	91,191	79.32
1993	1,171,608	61,747,986	92,925	4,256	---	0.144	88,669	75.68
1994	1,184,814	62,444,280	94,615	3,388	---	0.146	91,227	77.00
1995	1,202,200	62,891,891	91,970	3,780	---	0.140	88,190	73.36
1996	1,197,676	63,607,451	89,090	3,861	---	0.134	85,229	71.16
1997	1,197,077	63,892,271	82,625	2,142	---	0.126	80,483	67.23
1998	1,224,848	65,640,785	78,600	2,515	---	0.116	76,085	62.12
1999	1,254,281	70,991,711	74,255	2,723	---	0.101	71,532	57.03

* Excludes Redevelopment.

** Represents all General Obligation Debt.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

June 30, 1999
(In Thousands)

Table 11

Jurisdiction	Debt Outstanding June 30, 1999	Percentage Applicable to City of San Diego	Amount Applicable to City of San Diego
City of San Diego	\$20,200	100.000%	\$20,200
City of San Diego Certificates of Participation	68,760	100.000%	68,760
City of San Diego 1915 Act Bonds	51,370	100.000%	51,370
City of San Diego Mello-Roos Bonds	59,465	100.000%	59,465
City of San Diego Redevelopment Agency	164,215	100.000%	164,215
City of San Diego Metropolitan Transit			
Development Board (MTDB)	67,345	100.000%	67,345
Convention Center Expansion Authority	205,000	100.000%	205,000
Metropolitan Water District	578,035	8.329%	48,145
North City West School Community Facilities District	76,060	100.000%	76,060
Poway Unified School Community Facilities District #1	77,280	100.000%	77,280
Poway Unified School District		100.000%	---
Public Facilities Financing Authority	67,635	100.000%	67,635
South Bay Union School District	6,025	61.130%	3,683
San Diego Community College District	23,300	99.897%	23,276
San Diego County General Fund Obligations	524,282	47.889%	251,073
San Diego County Pension Obligations	178,731	47.889%	85,592
San Diego Superintendent of Schools COP's	1,086	47.889%	520
San Diego County Water Authority	543,395	49.813%	270,681
San Diego Open Space Park Facilities			
District # 1	54,055	100.000%	54,055
San Diego Unified School District	408,085	99.901%	407,681
Other School and Community College Districts	42,342	various	42,342
Other Special Districts	41,561	various	4,377
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT			\$2,048,755 *
Less:			
Bonds Paid by Water Revenue:			
Helix, Otay Mesa and Pomerado Water Districts			2,925
Grossmont Union High School District COP's			96
San Diego Open Space Park Facilities District #1			54,055
TOTAL BONDED DEBT SUPPORTED BY OTHER THAN PROPERTY TAX			57,076
NET DIRECT AND OVERLAPPING BONDED DEBT			\$1,991,679

1998-99 Assessed Valuation (100% of Full Value):

\$75,439,683 (including the redevelopment tax allocation increment of \$4,447,972)

Ratios to Assessed Valuation

City of San Diego Gross Direct Debt (\$593,155)	0.79%
City of San Diego Net Direct Debt (\$428,940)	0.57%
City of San Diego and Open Space District Gross Direct Debt (\$647,210)	0.86%
City of San Diego and Open Space District Net Direct Debt (\$482,995)	0.64%
TOTAL GROSS DEBT	2.72%
TOTAL NET DEBT	2.64%

* Excludes revenue and tax anticipation notes.

Sources: Responsible Agencies
California Municipal Statistics, Inc.

**RATIO OF ANNUAL DEBT SERVICE
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(In Thousands)**

Table 12

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
1990	\$12,227	\$23,127	\$35,354	\$699,544	5.05 %
1991	13,313	23,309	36,622	733,031	5.00
1992	17,345	27,018	44,363	823,902	5.38
1993	12,942	26,080	39,022	773,743	5.04
1994	20,943	38,679	59,622	978,257	6.09
1995	24,888	39,373	64,261	935,538	6.87
1996	35,496	49,018	84,514	1,095,306	7.72
1997	29,311	62,849	92,160	1,192,992	7.73
1998	42,512	81,016	123,528	1,160,059	10.65
1999	38,310	84,507	122,817	1,399,934	8.77

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)**

Table 13

<u>Fiscal Year Ended June 30</u>	<u>Current Assessments Due</u>	<u>Current Assessments Collected</u>	<u>Ratio of Collections of Amount Due</u>	<u>Total Outstanding Assessments</u>
1990	8,461	7,682	90.8	75,761
1991	8,733	6,278	71.9	86,042
1992	11,610	7,687	66.2	120,870
1993	16,949	11,205	66.1	128,857
1994	12,512	10,632	85.0	123,830
1995	11,478	9,565	83.3	118,350
1996	12,564	11,692	93.1	125,650
1997	12,394	11,515	92.9	120,900
1998	11,929	11,359	95.2	113,105
1999	10,843	10,576	97.6	447,789

REVENUE BOND COVERAGE - WATER BONDS
LAST TEN FISCAL YEARS
(In Thousands)

Table 14

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Total Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
1990	136,699	94,605	42,094	170	12	182	231.29
1991	124,228	100,287	23,941	170	6	176	136.03
1992 *	—	—	—	—	—	—	—
1993 *	—	—	—	—	—	—	—
1994 *	—	—	—	—	—	—	—
1995 *	—	—	—	—	—	—	—
1996 *	—	—	—	—	—	—	—
1997 *	—	—	—	—	—	—	—
1998 *	—	—	—	—	—	—	—
1999 *	—	—	—	—	—	—	—

* Water Bonds were completely paid off during FY92.

REVENUE BOND COVERAGE - SEWER BONDS
LAST TEN FISCAL YEARS
(In Thousands)

Table 15

Fiscal Year Ended June 30	Gross Revenues	Direct Operating Expenses	Net Revenue Available For Debt Service	Total Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
1990	156,594	48,311	108,283	2,015	952	2,967	36.50
1991	159,175	64,879	94,296	2,143	846	2,989	31.55
1992	168,306	81,244	87,062	2,207	759	2,966	29.35
1993	175,360	83,484	91,876	2,292	663	2,955	31.09
1994 *	—	—	—	—	—	—	—
1995 *	—	—	—	—	—	—	—
1996 *	—	—	—	—	—	—	—
1997 *	—	—	—	—	—	—	—
1998 *	—	—	—	—	—	—	—
1999 *	—	—	—	—	—	—	—

* Sewer Bonds were completely paid off during FY94.

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DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Table 16

Fiscal Year Ended June 30	Estimated Population (2)	Public School Enrollment (K-12) (2)	Continuing Education Enrollment* (2)	Civilian Labor Force (1)	Unemployment Rate (1)
1990	1,118,300	154,951	140,947	1,196,000	4.3%
1991	1,130,034	158,507	177,144	1,170,700	5.7%
1992	1,149,598	159,695	167,827	1,180,025	6.5%
1993	1,171,608	167,986	161,316	1,202,566	7.7%
1994	1,184,814	172,761	161,360	1,218,292	7.8%
1995	1,197,676	174,735	168,509	1,222,458	6.8%
1996	1,183,102	156,461	161,105	1,227,952	6.0%
1997	1,197,077	173,344	159,673	1,243,258	4.8%
1998	1,224,848	179,197	164,438	1,289,383	3.8%
1999	1,254,281	182,590	173,002	1,334,167	3.5%

*Composed of College, Community College and Adult Schools (Includes part-time).

Sources:

(1) Employment Development Department (EDD)

(2) Table 19

PRINCIPAL TAXPAYERS IN CITY OF SAN DIEGO June 30, 1999 (In Thousands)

Table 17

Taxpayers	Type of Business	Assessed Valuation	Percentage of Net Assessed Valuation (1)	Approximate Tax Paid
Equitable Life Assurance	Investment	\$412,994	0.59%	\$4,488
Qualcomm Inc.	Electronics	357,162	0.51%	3,978
Hewlett-Packard	Manufacturing	266,996	0.38%	2,719
Sony Corp of America	Electronics	228,704	0.33%	2,325
Pacific Gateway	Developer	235,882	0.34%	2,627
Sea World	Entertainment	464,580	0.67%	5,142
Solar Turbines	Manufacturing	19,966	0.03%	223
Pardee Construction	Developer	140,301	0.20%	2,295
Manchester Resorts L P	Hotels	138,920	0.20%	1,547
Miramar Ranch North	Investment	12,895	0.02%	196
		<u>\$2,278,400</u>	<u>2.68%</u>	

(1) Total Gross Assessed Valuation of \$69,712,638,000 per Table 5.

Note: This table excludes public utilities, including San Diego Gas & Electric Company, Pacific Bell and American Telephone and Telegraph (AT&T), because valuations within the City of San Diego cannot be readily determined.

Source: County of San Diego Assessor's Office.

**COMPARISON OF CONSTRUCTION, BANK DEPOSITS AND PROPERTY VALUES
LAST TEN FISCAL YEARS
(In Thousands)**

Table 18

Fiscal Year Ended June 30	Construction (1)			Property Values (2)				Deposits (3)		
	Residential Construction Permits	Non- residential Construction Permits	Miscellaneous Construction Permits	Commercial/ Industrial	Residential	Other	Commercial Banks	Savings & Loans	Credit Unions	Total
1990	3,702	452	10,658	\$15,882,407	\$35,802,251	\$1,979,894	\$7,017,828	\$12,257,722	\$2,379,955	\$21,655,505
1991	1,687	270	9,111	17,020,669	38,656,724	2,033,684	8,973,527	5,631,708	2,578,616	17,183,851
1992	1,244	187	8,775	16,868,708	40,930,418	2,137,663	10,073,074	4,513,109	2,316,470	16,902,653
1993	1,248	216	7,815	16,154,192	42,291,556	2,246,154	8,062,959	3,382,869	2,930,418	14,376,246
1994	1,987	135	8,308	15,411,917	43,273,554	2,277,353	8,678,706	3,379,077	2,553,514	14,611,297
1995	1,621	189	7,701	14,975,973	44,197,890	2,300,779	9,684,057	3,088,156	2,544,261	15,316,474
1996	1,645	190	7,959	14,804,114	44,513,532	2,278,247	9,306,278	2,847,576	3,545,202	15,699,056
1997	2,408	188	8,065	15,306,561	45,589,632	2,414,340	10,595,219	3,370,761	3,724,548	17,690,528
1998	3,396	203	9,750	17,318,763	48,341,937	2,151,401	N/A	N/A	N/A	N/A
1999	2,976	177	9,133	19,850,778	53,121,440	2,788,667	N/A	N/A	N/A	N/A

N/A = Not available.

Source:

- (1) City of San Diego Planning and Development Review Department
 (2) County of San Diego, Office of Assessor.

THE CITY OF SAN DIEGO

ANNUAL FINANCIAL REPORT

MISCELLANEOUS STATISTICAL DATA JUNE 30, 1999

TABLE 19

GEOGRAPHICAL LOCATION	Southern Coast of California contiguous to the Mexican Border.	
ALTITUDE OF CITY	Sea Level to 1,591 Feet	
AREA OF CITY (SQUARE MILES)	Land - 330.0 Water - 73.0 Total - 403.0	
DATE OF INCORPORATION	March 27, 1850	
POPULATION	(Official U. S. Census)	Increase
	1900 - 17,700	
	1910 - 39,578	124%
	1920 - 74,361	88%
	1930 - 147,995	99%
	1940 - 203,341	37%
	1950 - 334,387	64%
	1960 - 573,244	71%
	1970 - 697,027	22%
	1980 - 875,504	26%
	1990 - 1,110,549	27%
	Estimate at June 30, 1998-1,254,281	
	Population per Square Mile (Land) - 3,801	
FORM OF GOVERNMENT	Council /Manager	
CITY CHARTER ADOPTED	April 7, 1931	
FISCAL YEAR BEGINS	July 1	
TOTAL NUMBER OF CITY EMPLOYEES	Salaried - 9,885 Hourly - 1,595 Limited - N/A Total - 11,480	
RAINFALL, 1998-1999 SEASON	6.54 Inches	
AVERAGE SEASONAL RAINFALL DURING LAST 20 YEARS	11.03 Inches	
TEMPERATURE, 1997-1999	Daytime Average - 68.1F Nighttime Average - 56.6F Mean Average - 62.4F	
AVERAGE ANNUAL TEMPERATURE OF FORTY YEAR PERIOD, 1958-1999	64.1 F	
RECREATION: PARKS, SQUARES, AND RECREATION CENTERS	Number - 416 Acres - 32,831	
SPECIAL FACILITIES	Municipal Golf Courses: City Operated: 18-Hole Courses - 3 9-Hole Courses - 1 Pitch and Putt Course - 0 Leased: 18-Hole Courses - 2 Par 3 Course - 1 Pitch and Putt Course - 2 Municipal Swimming Pools - 11 Municipal Stadiums - N/A Municipal Tennis Courts - 25 Ocean Fishing Piers - 2	

**MISCELLANEOUS STATISTICAL DATA
JUNE 30, 1999**

TABLE 19 (Cont'd.)

FIRE PROTECTION	Number of Stations - 43 Number of Employees - 1,155 (includes EMS)
POLICE PROTECTION	Number of Stations - 9 Number of Employees - 2,705 (includes hourly)
MILES OF PAVED STREETS	2,974
MILES OF SEWERS	2,554
SEWER SERVICE LATERALS	259,666
MUNICIPAL WATER PLANT	Number of Water Meters in Service - 258,639 Average Daily Consumption - 196.28 Million Gallons Average Daily Consumption per Capita - 156.49 Miles of Water Distribution Mains - 3,097.7 Number of Fire Hydrants - 23,035
MUNICIPAL AIRPORTS	Number - 2 Number of Acres - 1,942 Length of Main Runways - 7,999 Feet and 4,600 Feet
UNIFIED PORT DISTRICT:	
WHARVES	Number - 4 Length - 13,055 (Lineal Feet or Berthing) Number of Craft in Port (Excluding Military) - 770 Commercial Tonnage Handled through the Port during the Year - 1,837,590
TIDELANDS	Number of Acres - 5,557
AIRPORTS	Number - 1 Number of Acres - 474 Length of Main Runways - 9,400 Feet
EDUCATION:	
COLLEGES	Number - 7 Number of Teachers - 6,100 (Includes Part-time) Number of Students - 73,063 (Includes Part-time)
COMMUNITY COLLEGES AND ADULT SCHOOLS	Number - 9 Number of Teachers - 2,520 (Includes Part-time) Number of Students - 99,939 (Includes Part-time)
HIGH SCHOOLS	Number - 25 Number of Teachers - 1999 Number of Students - 43,884
JUNIOR HIGH SCHOOLS	Number - 28 Number of Teachers - 1390 Number of Students - 36,253
ELEMENTARY SCHOOLS	Number - 159 Number of Teachers - 5,538 Number of Students - 102,453